

A Blueprint for Bank Card Gambling Blockers



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Executive summary

This report

- This report is about the use of debit and credit card technology to block spending on gambling.
- It is the first UK review of the availability, uptake, and effectiveness of bank card gambling blockers.
- It assesses their potential to help people who want to control their gambling and sets out an evidence-informed blueprint for change to maximise their effectiveness.
- Action in the financial services sphere is only one piece of the jigsaw, however. Meaningful reduction in gambling harms requires significant cross-sector efforts and regulatory intervention.

Bank card gambling blockers

- These blockers involve a bank checking – in real-time – a Merchant Category Code describing the type of business a customer is trying to pay with their debit or credit card.
- If the Merchant Category Code indicates the business is related to gambling, and the customer has activated their bank card blocker, then the payment should be declined.

What we did

- Our review draws on:
 - insights from **over 100 interviews/surveys** with people with lived experience of gambling
 - **aggregated data and statistical insights from banks** on customer use of gambling blockers
 - and **discussions with** treatment providers, financial service firms, and regulatory bodies.
- Carried out between September 2019 and March 2020, our review overlapped with the Gambling Commission's ban on licensed gambling companies accepting credit card payments from 14 April 2020. This report examines whether the ban makes credit card gambling blocks redundant.

What we found

1. **Blocker technology works – and should be available to all card users:**
blockers are working but millions of UK customers still do not have access to them.
2. **Every firm should routinely, strategically, and sensitively raise awareness about blockers:**
a low level of awareness about bank card blockers exists among a range of customers.
3. **Every blocker should be built around a time-released lock:**
over a third of bank card blockers can (unhelpfully) be toggled on and off by customers at will – making them a light switch rather than a lock.
4. **Every blocker should limit cash withdrawals:**
limits on the cash value and daily number of ATM withdrawals would complement blockers.
5. **Every e-wallet provider and Credit Reference Agency needs their own 'blockers':**
e-wallet providers can provide blocks, while CRAs can extend their Notice of Correction scheme.

Our blueprint for change

To maximise the effectiveness of bank card blockers, we believe that:

- **Firms and regulators need to work with 'experts by experience'** so they can design products, services and interventions for people who are negatively affected by gambling in a range of ways.
- **UK Finance** – the collective voice for the banking and finance industry – needs to build our recommendations into their member guidance and policy on supporting vulnerable consumers.
- The **Financial Conduct Authority** – the UK financial regulatory body – should recommend in its guidance on vulnerable customers that gambling blocks are standard on debit and credit cards.
- **A cross-sector consumer awareness campaign** that places bank card blockers alongside other forms of self-exclusion and player control is needed.
- The **UK Government** needs to create the legal and regulatory conditions to encourage the financial services sector to innovate and develop a range of consumer spending controls.

Finding 1: blocker technology works and should be available to all card users

The 'first eight' firms include big banks and newer entrants

- In the UK, **eight financial services firms** offer bank card gambling blockers to all their customers:
 - The 'big five' banks comprising Barclays (which includes Barclaycard); HSBC; Lloyds Banking Group (which includes Lloyds Bank, Halifax, Bank of Scotland and MBNA); Royal Bank of Scotland Group (which includes Royal Bank of Scotland, NatWest and Ulster Bank); and Santander
 - and Cashplus, Monzo and Starling which are newer entrants to the UK market.
- Given their collective market share, we estimate the **potential reach** of these eight firms is currently 60% of personal current accounts, and at least 40% of credit cards. This represents roughly 49 million personal current accounts, and 26 million credit cards.
- However, at present:
 - some of the eight firms only offer gambling blocks on certain card products or ranges (consequently, a firm may provide a gambling block, but not for every account it operates)
 - some blocks can be activated or managed via certain channels, but not others (and some channels will not be accessible, preferable, or useable for every customer)
 - many existing and new customers will be unaware that these gambling blockers exist.
- **To fulfil their potential, we believe that blockers should be a standard feature across a firm's full card range.** To ensure they are accessible, customers should be able to activate them via digital interfaces and phone and written channels.

Bank blockers are turned on and working

- Firm data show that - while varying in design - blocker mechanisms are turned on and working.
- Data shared by one firm, for example, showed that customers who turned on the blocker stopped an average of 2-3 gambling transactions per month. Across all its customers with a card blocker, this represented **390,000-585,000 blocked transactions per month.**
- In our own survey of people with experience of gambling problems, 30% of respondents (26/88) had activated a card blocker. Over half had spent less or no money on gambling since doing so (18/26).

Maintaining the wall

- There were a few instances (from our interviews with firms and survey respondents) of customers being able to gamble when they had a gambling block on their bank card.
- This occurs when a gambling operator uses a non-gambling Merchant Category Code which means the transaction is not declined (because it does not 'look' like a gambling transaction).
- Firms resolved these issues by informing the relevant card scheme – such as VISA or Mastercard. Importantly, however, firms seemed to rely on customers alerting them to this issue.
- We believe that firms should have a simple way for customers to report gambling block 'fails' which can then be relayed to the relevant card scheme; as well as a mechanism to report the same information to the Gambling Commission so that it can consider action against operators.

Finding 1: blocker technology works and should be available to all card users (continued)

The rest of the market

- Outside the eight firms, **no other organisation** offers a bank card gambling block to all their customers.
- Based on our rough estimates, this means that as many as **28 million personal current accounts and 35 million credit cards** may not offer account holders the option to block gambling expenditure.
- This includes organisations of the scale and significance as the Nationwide Building Society, Bank of Ireland, Danske Bank (Northern Ireland), and First Trust Bank (Northern Ireland).

Credit cards still matter

- Since April 2020, Gambling Commission-licensed gambling operators have been banned from accepting credit card payments. However, we believe that every credit card should still offer gambling blocks.
- This is because many online gambling sites out of Britain are not licensed by the Gambling Commission and continue to allow customers in England, Wales and Scotland to gamble via credit card payments.
- Credit card providers could go one step further by automatically restricting gambling Merchant Category Codes on all credit cards (rather than relying on customers to turn on a block).

The Financial Conduct Authority

- **Every consumer should have the option to use a bank card blocker.**
- In its forthcoming guidance for firms on the fair treatment of vulnerable customers, the FCA should recommend that every new debit and credit card is designed with consumer spending controls as standard, including those covering gambling transactions.
- This would ensure that account holders across the entire market have the choice to activate a block on gambling products, rather than this only being offered on some accounts and products.
- Taking this step would reflect the FCA's recognition of the importance of gambling blockers in protecting vulnerable consumers, and its emphasis on the role of product design in doing this.



“[If] they made sure that anything that was positive to help people control gambling was then rolled out for every financial institution then at least we wouldn’t have to sort of try searching... Everyone would know what was happening, it would be a level playing field.”

Advisory Board participant

Finding 2: every firm should routinely, strategically, and sensitively raise awareness

Not in plain sight

- Nearly half of our survey participants (43%) **were not aware** that bank gambling blocks exist. This is notable given many were currently receiving treatment and support for their gambling.
- We are concerned about similarly low awareness among those who might benefit from a bank blocker.
- This includes the 0.7 million people in Britain that the Gambling Commission believe are ‘problem’ or ‘moderate-risk’ gamblers, with millions more negatively impacted by someone else’s gambling.

Getting the word out about bank gambling blocks

- **Every consumer should know about the option to block gambling expenditure on bank cards.**
- There are plenty of opportunities in the customer journey for firms to let people know about these:
 - in key features documents for bank accounts and credit cards and on price comparison websites
 - as part of account opening and on-boarding and during routine communications with customers
 - and when any customer discloses financial difficulty or a gambling problem.
- This is a sensitive issue and clearly firms will be worried about causing offence to their customers, while customers with gambling problems often live with denial, shame, and stigma.
- For these reasons, we believe firms should work with people with lived experience of gambling (and also experience of supporting them) to ensure these messages are clear, relevant, and impactful.
- People affected by gambling harm also made some strong arguments in favour of banks using transaction data to ‘spot’ customers at risk of gambling harm, while at the same time recognising the challenges for banks in using that information to interact with customers.

The self-exclusion triangle

- For people who want to control their gambling, card blocker technology – while effective – only forms one side of the self-exclusion triangle. The other two sides are:
 - software that blocks gambling websites on smartphones and personal computers
 - schemes that enable people to self-exclude from gambling venues and online gambling.
- Each of these tools has to work effectively in their own right, but also in tandem with one another. A first step would be for gambling operators to signpost customers to bank card gambling blockers in their information about ‘responsible gambling’ or advice on ‘staying in control’.



“I do feel there’s some progress we can make in the language that we use around some of these things. Sometimes banks have a habit of using ‘banky’ type language with customers which doesn’t resonate very well... A lot of customers, they just wouldn’t know what that meant.”

Interview with financial services firm

Beyond the financial services sector: gambling treatment and education organisations

- Responsibility for raising awareness about bank gambling blockers and other self-exclusion tools does not only sit with the financial services sector.
- GambleAware (and other organisations which provide education related to gambling) should help create a consumer awareness campaign that places bank card blockers alongside other forms of self-exclusion and player controls; as well as create and evaluate the pathways that lead customers from awareness to activation.
- Organisations providing clinical, social, and peer support to people with gambling problems have an important role to play in letting people know which firms offer bank card blockers (because they provide another tool with which to aid recovery, rather than a single solution).

Finding 3: every blocker should be built around a time-released lock

Not every blocker is the same

- At the moment, if the eight UK bank card blockers were **activated at exactly the same time**:
 - three could be **immediately deactivated** (and then toggled 'on' and 'off' by customers at will)
 - one would require customers to **wait 24 hours** before gambling expenditure could be resumed
 - four would require customers to **wait 48 hours** before they were able to gamble again.
- People with lived experience of gambling, treatment providers, and financial services firms all agreed that the option to turn a block 'on' or 'off' at will – like a light switch – is not an effective intervention.
- While some firms plan to move to 'time-release' locks, they could not give a date. Until this happens, some customers will not have the gambling controls they need.

Time matters

- As a standard feature on cards, bank gambling blocks are a relatively new departure.
- In the absence of hard research evidence, firms had to exercise their judgement about things like the length of the 'time-release' lock, sometimes with input from clinicians and treatment providers.
- From our survey with people affected by gambling problems, we know that:
 - nearly **60% of participants** thought a 'time-release' lock should be **longer than 48 hours**
 - over **80% of participants** supported banks offering the option of a **permanent block**.
- Our interviews with firms indicate that - while there would be issues to work through - it is technically possible to allow customers to set their own block limit, and to offer customers a permanent block.

An extra dose of positive friction

- The people affected by gambling who took part in our review sent a clear message: **the more positive friction that can be built into a bank blocker, the better**.
- **Human interaction** is one form of additional positive friction. To de-activate a gambling block, one firm has a 48-hour 'time-release' lock but customers must also speak to customer service staff.
- The customer might then be asked (sensitively) about turning off the block, whether they know about sources of support, or other issues in the account notes. **65% of surveyed participants** with lived experience thought this type of human interaction was an important feature of any bank card blocker.
- There was support for other positive friction features that firms could look at trialling, including:
 - receiving a **personalised message** from your 'past self' before turning the block off
 - automatic **alerts for third parties** (e.g. a friend or family member) related to gambling spend.
 - **making gambling blocks the default on new bank cards** so that customers would have to opt in to be able to use the card to gamble.
- In addition to gambling transaction blocks, there was appetite for firms to offer their customers **other spend controls** such as being able to set financial limits on gambling rather than blocking it altogether; and limiting gambling transactions to certain times of the day.

UK Finance

- **UK Finance** – the collective voice for the banking and finance industry – needs to ensure their members offer card blockers that have a time-release lock mechanism.
- As the number of bank card blockers grow, financial journalists such as Paul Lewis should welcome those with time-release locks, but question those that do not.

Finding 4: every blocker should limit cash withdrawals

Blocks are not perfect

- Evidence from one bank suggests that around 15 per cent of its gambling block users had found a 'workaround' to their gambling block.
- The people with gambling problems in our review identified **cash as an obvious workaround** to bank card blockers which firms need to urgently address.

Limits on cash withdrawals

- In the UK, most banks will - if requested - place a daily or monthly limit on ATM cash withdrawals. This can include limits on the total amount withdrawn, as well as the number of daily withdrawals.
- However, we fear that many financial firms **have not made the connection** between cash limits and card blockers. As bank card blockers become more available, firms need to make this key connection.

Complexity is not mandatory

- Limits on cash withdrawals as a feature of bank card gambling blocks could range from:
 - **Bells and whistles:** At its most sophisticated, limits on cash withdrawals could be integrated as an option within the blocker feature. This would require user-experience designers to build this into existing platforms. Firms could also offer a time-release lock for this feature.
 - **Plain and simple:** In its simplest form, firms could tell customers who activate a bank card blocker about the option to limit cash withdrawals, and how to put these limits in place.
- Whatever the approach, firms need to promote and help customers make the connection between blockers and limiters (rather than waiting for customers to do this themselves).

Other design considerations

- **Supporting 'blocker breakers'** – some customers will try to gamble while a blocker is activated. Beyond declining the transaction, we believe the potential exists for firms to take 'just in time' action to signpost customers to specialist sources of gambling support when this happens.
- **'Togglers'** – firms that have blockers without time-release locks saw higher levels of 'togglings' (where customers repeatedly turn blocks 'on' and 'off' like a light switch). Although an arguable 'design flaw', firms could use this metric to identify and support a group that seem at higher risk of harm.
- **Credit card cash transfers** – as well as giving people the option to block gambling transactions on bank cards and limit their ATM withdrawals, a 'third line of defence' could be the option to block cash transfers from a credit card to an account where the money could be used to gamble.

Finding 5: all e-wallet providers and Credit Reference Agencies need their own 'blockers'

Electronic wallets

- There are over 170 ways to make online gambling transactions. E-wallets form a sizeable chunk of this.
- E-wallets allow a customer to transfer money 'into' their wallet (with funds from their bank) and then spend directly from this wallet.
- E-wallets have proved popular for gambling as they do not reveal customer bank details to a gambling operator, nor are gambling transactions visible to the customer's bank.
- Since April 2020, the Gambling Commission requires operators to only take e-wallet payments where this has not come from a credit card. However, debit card deposits are still permitted, meaning they remain a possible 'workaround' to bank gambling blocks.

Electronic Money Association (E-MA)

- E-wallet providers have an opportunity to offer customers a transaction block with a time-released lock. This would build on changes already made in response to the Gambling Commission's credit card ban.
- The E-MA could help promote this among its members. More radically, it and other trade bodies could consider an industry-wide scheme, given the speed with which customers can open new accounts.
- E-wallet providers could also ban gambling transactions on their platforms, as some have already done.
- The FCA should ensure that any vulnerability guidelines for banks apply similarly to the e-money sector.

Credit Records

- Consumer credit can fuel harmful gambling and lead to financial, personal, and legal difficulty.
- Giving people greater control over their access to credit – beyond individual credit or debit cards – could help prevent such harm. Indeed, **63 per cent of our lived experience survey participants said they would choose to opt out of any further credit if this option was available.**
- Currently, people can add a short Notice of Correction (NOC) to their personal credit record that gives additional information about their financial situation. These NOCs can be used to request that a lender declines a credit application, or to decline named lenders or credit types (e.g. payday loans).
- Critically, such NOCs do not require the customer to name or disclose a gambling problem. Any lender checking the report must read (and should take into account) the NOC.
- In a recent positive move, Experian and Equifax have published guidance on their websites for people who may want to add a NOC to their credit file as a safeguard against borrowing to gamble.
- However, a problem with the current NOC system is that people have to register a separate NOC with each Credit Reference Agency. This is a cumbersome and time-consuming barrier to engagement.

Experian, Equifax, and TransUnion

- We have been in discussion with the three main Credit Reference Agencies (CRA) – Experian, Equifax, and TransUnion – to establish a better system to benefit consumers.
- This would allow a NOC registered with one CRA, to then be copied across to the other CRAs. The same process would be used to update or delete a NOC.
- These CRAs have agreed this process is feasible, workable, and practical to implement. However, no timeline has been agreed to introduce it.
- We call on Experian, Equifax, and TransUnion to introduce this as soon as possible, which builds on Experian's and Equifax's recent move to publish guidance about using NOCs to safeguard against borrowing to gamble.
- We also call on the FCA's Credit Information Market Study to review how CRAs and NOCs can be used by vulnerable customers (including those vulnerable due to gambling) to control their access to lines of credit.

Bank gambling blocks: a blueprint for change

Actions for the financial services industry (and beyond) to take to ensure that gambling blocks most effectively help reduce harm from gambling:

Firms and regulators need to work with 'experts by experience' to design products, services and interventions for people who are negatively affected by gambling.

UK Finance needs to build our recommendations into their member guidance and policy on supporting vulnerable consumers. Consistency across the industry is crucial.

The Financial Conduct Authority should recommend that every new debit and credit card is designed with consumer spending controls as standard, including gambling blocks.

A cross-sector consumer awareness campaign that places bank card blockers alongside other forms of self-exclusion and player control is needed.

Organisations that provide clinical, social and peer support to people affected by gambling problems also need to raise awareness of bank gambling blocks as a potentially helpful tool for stopping gambling (if they are not already).

The electronic money sector needs to develop gambling blocks, which sit alongside existing technical adjustments made in relation to the Gambling Commission's credit card ban.

Credit Reference Agencies (CRAs) need to work together to offer a 'one-stop shop' for customers to add a Notice of Correction to their credit file across all three major UK CRAs.

The UK Government needs to create the legal and regulatory conditions to encourage the financial services sector to innovate and develop a range of consumer spending controls.

How can banks better use gambling blocks to reduce gambling harms?

1. Make gambling blocks a **standard feature** across their full card range.
2. Ensure gambling blocks continue to be offered on **credit cards**.
3. Ensure **every customer knows** that gambling blocks are available for them to use if they want.
4. Signpost to **other methods of self-exclusion**, where relevant.
5. Ensure all gambling blocks are built with a **time-released lock**.
6. **Deal swiftly** with gambling merchants using incorrect merchant category codes by giving customers a simple way to report such issues and having a mechanism to report them to the Gambling Commission.
7. Make it easier for customers to **limit cash withdrawals** and signpost gambling blocks users towards this option.

Beyond blocks...

Gambling transaction blocks are not 'job done' for banks – there is much more to do. Our participants would like to see a more consistent approach across the entire bank for a start.

Beyond banks...

And, lastly, it is important to remember that the focus here on banks does not take away from the fact that a range of other organisations still need to be taking action to reduce gambling harms.

Thank you

To all those who took part in this review or contributed to it.

The 'experts by experience' – we are grateful to all the people affected by gambling who took the time to share their views and experiences with us and who continue to shape the MAGPIE programme.

The financial services firms who agreed to be interviewed and those who shared data insights with us – we appreciate your time and openness.

The gambling treatment and support providers particularly Gordon Moody Association, GamCare and the Northern and London Problem Gambling Clinics, who shared their expert views and experience and put us in touch with people affected by gambling.

The Money and Mental Health Policy Institute and Behavioural Insights Team who we continue to work with to disseminate and advocate this research.

About the MAGPIE programme

MAGPIE is a three-year University of Bristol study (Money and Gambling: Practice, Insight, Evidence).

It is a partnership with GambleAware, an independent charity that champions a public health approach to preventing gambling harms. GambleAware also runs the website [BeGambleAware.org](https://www.BeGambleAware.org)

The MAGPIE research team works in close collaboration with the other financial service gambling projects that are currently taking place, and in partnership with colleagues in the Behavioural Insights Team, GamCare, and the Money and Mental Health Policy Institute.

For more information on MAGPIE: magpie.blogs.bristol.ac.uk



Introduction

About MAGPIE

In September 2019, GambleAware and University of Bristol's Personal Finance Research Centre (PFRC) launched a three-year programme called Money and Gambling: Practice, Insight, Evidence – or MAGPIE for short. MAGPIE is the opportunity for an independent, in-depth exploration of the ways in which the UK financial services industry can help reduce gambling harms, an area where currently there is a dearth of academic research (Swanton et al, 2019). You can read more about the rationale for MAGPIE in our Strategic Roadmap.

At the same time, we are clear that financial services can only ever provide one part of the answer. To deliver a step-change in the reduction of harm from gambling requires cross-sector effort across a range of regulatory and other interventions.

About this report

This report focuses on the first of MAGPIE's several 'Programme Priorities': gambling blockers on credit and debit cards offered by banks and other lenders (which for simplicity we refer to as bank card gambling blockers). If customers choose to activate a gambling block, it means they will not be able to gamble using their credit and/or debit card for as long as the block is switched on. Bank card gambling blockers may therefore be an effective tool in helping to prevent or reduce gambling harms.

To produce this report, we have brought together the best available evidence on use and effectiveness of the bank card gambling blockers that is currently on the market.

PART ONE focuses on the current situation, examining the bank card gambling blockers on credit and debit cards currently available to consumers in the UK and setting out our evidence about:

- What is a bank card gambling blocker (Section 1)?
- Which UK banks currently offer gambling blocks on their bank cards (Section 2)?
- What is the evidence about the use and technical effectiveness of bank card gambling blockers (Section 3)?
- Who might be helped by a bank card gambling blocker (Section 4)?

PART TWO sets out the possible future direction of bank card gambling blockers, based on five themes from our research:

- Make people more aware of bank card blockers (Section 5)
- Get more people using bank card blockers (Section 6)
- Maximise the effectiveness of bank card blockers (Section 7)
- Giving people more control (Section 8)
- What else can be done (Section 9)?



Why is this important?

Gambling harms are now recognised as an important **public health issue** that affects not only the health and wellbeing of individual gamblers but also their families, friends, communities and wider society (Wardle et al, 2018). For every person with a gambling problem, it is estimated that between **six and ten additional people are affected**, such as friends, family and colleagues (Swanton et al, 2019; Nash et al, 2018). Gambling harms are wide-ranging and relate to money and finances; relationships; physical and mental health; work and study (Langham et al, 2016). While gambling harm is indiscriminate and can impact anyone, it is disproportionately associated with low income and social inequality (McMahon et al, 2019).

A public health approach to gambling means **altering the environment** in ways that help prevent or reduce gambling harms, such as tighter regulation of gambling operators; restricting gambling adverts; removing ATMs from gambling venues; and making tools and resources readily available to people affected by gambling. We see at least five good reasons to get financial services involved in creating a safer environment:

- #1** Financial services firms **have significant reach** into UK consumers who experience, or are at risk of, harm from gambling. In a 2018 survey, 40% of respondents who reported gambling problems had used credit cards for gambling (Gambling Commission, 2019a).
- #2** They have a **unique window** into their customers' financial situation from the transaction data they hold, giving insight into customers' spending patterns.
- #3** Financial harms are a key indicator of gambling problems (Swanton et al, 2019), and we know that people with gambling problems can build up **significant amounts of debt**, including high-cost debt (Nash et al, 2018).
- #4** While the Gambling Commission has banned credit card gambling in Britain¹, it remains the case that **debit card deposits made directly with online gambling operators are much more prevalent than credit card deposits** (Gambling Commission 2019a). This makes gambling blocks on debit cards a useful part of any self-exclusion toolkit to help minimise gambling harms.
- #5** Financial services firms regulated by the Financial Conduct Authority must **treat all their customers fairly**, including those in vulnerable situations (FCA, 2018) – such as customers who are financially vulnerable as a result of gambling-related debt; or who struggle to deal with financial services firms because of mental health problems linked to gambling.

Banks and beyond

While our evidence shows widespread support for gambling blocks, people with lived experience of gambling problems want to see financial firms take wider action if they are serious about helping tackle gambling harms.

Beyond banks, they also want the gambling industry, regulators and the Government to do much more to protect consumers in a world of boundless and frictionless gambling where people can go from **“zero to devastation in a very short period”**.

¹The ban came into effect on 14 April 2020. The Gambling Commission licenses and regulates gambling in Britain, including the National Lottery. In Northern Ireland, gambling law is contained in the Betting, Gaming, Lotteries and Amusements (Northern Ireland) Order 1985 and associated legislation; gambling licences are obtained through the courts and there is no equivalent to the Gambling Commission (Thompson, 2010).

What is the evidence base for this report?

In order to provide new insight into bank card gambling blockers and identify possible best practice in relation to their design, this report triangulates several sources of evidence that we collected between July 2019 and March 2020 (the Appendix contains further details):



Five Advisory Boards with 35 participants who had experience of gambling – taking the lead from participants, these Advisory Boards qualitatively explored people's views and experiences of gambling and gambling harm; bank card gambling blockers; and ideas about what more financial services and others could do to reduce the gambling harms that many had experienced first-hand. All names given in the report are pseudonyms.



Online survey of people who had sought help for gambling problems – an online survey was sent out via email to current and former service users from a range of treatment providers, as well as to people signed-up to newsletters from several gambling-related charities. A total of 88 people completed the survey between late-December 2019 and end of February 2020, shedding light on the awareness, use and challenges related to gambling blocks among a sample who are likely to have experienced gambling harms.



Analysis of online forum data – we analysed online posts from GamCare's public forum to understand the different ways in which gamblers may self-exclude or limit their gambling spend, including blocking gambling spend on bank cards. We identified around 80 posts in total that provided useful insights.



Formal interviews with banks – we conducted formal (recorded) interviews with staff at six banks that offer gambling blocks to UK consumers. The staff we interviewed primarily worked in areas of the bank that deal with their strategy related to vulnerable customers or had been involved in the development of their block. We discussed why and how the bank developed gambling blocks, insights into how gambling blocks are currently being used and by who, and what further possibilities might look like in terms of reducing gambling harms. Additionally, we held informal discussions with all banks that offer blocks (including those not formally interviewed) about these issues.



Statistical insights shared by banks – several of the banks we interviewed shared statistical insights from their transaction data with us on the basis that these could be published anonymously. These offer insights into who is using gambling blocks, how they are using them and how effective the blocks are in reducing harm from gambling. Statistics are entirely based on personal banking customers, rather than business banking; though there are likely to be definitional and methodological differences in the analyses conducted by different banks. It was not possible for banks to share 'raw' customer transaction data with us.



Rapid evidence review – we reviewed around 100 pieces of recent academic material and also searched non-academic 'grey' sources for relevant evidence, including statistics produced by the Gambling Commission; research conducted by market research agencies, think tanks and money charities; and podcasts about gambling and gambling harms.



Other expert dialogues – since the launch of the MAGPIE programme we have been engaged in ongoing dialogues with around 20 other experts, including people with lived experience of gambling, regulators, and gambling treatment and support providers, all of which have helped to shape this report.

PART ONE:

THE CURRENT SITUATION

In **Part 1** of this report, we set out the current UK situation regarding bank card gambling blockers. We structure this around four sections:

- **What is a bank card gambling blocker?** – how does it differ from other types of self-exclusion from gambling? How does it work?
- **Which UK banks currently offer gambling blockers?** – which banks currently offer bank card gambling blockers and what percentage of customers now have access to them via their bank? Drawing on our bank interview data, we look at what has motivated banks to develop gambling blockers and the challenges and trade-offs they faced.
- **What is the evidence about the use and technical effectiveness of bank card gambling blockers?** – we set out our new evidence about the use and technical effectiveness of gambling blockers drawing on bank interview data, statistical insights from bank transaction data, plus our online survey and qualitative research with people affected by gambling.
- **Who might be helped by a bank card gambling blocker?** – what does the literature tell us about the potential audience for bank card gambling blockers in the UK? What are the characteristics of those currently using them?

Collectively, these sections describe the 'past' and 'present' when it comes to bank card gambling blockers – before we turn to the 'future' in the second part of this report.

Section 1: What is a bank card gambling blocker?

Section summary:

- Customers of some UK financial services firms now have the option to activate a voluntary gambling block which means they will no longer be able to gamble using their credit card and/or debit card for as long as the block is activated. In this section we describe what bank card gambling blockers are and how they work.
- The front end of a bank card gambling blocker is the customer interface – how customers find and enable/disable the gambling block, for example within a banking app, on a bank website or in conversation with bank staff.
- The back end is the mechanism by which gambling transactions are blocked. Put simply, banks automatically check whether a cardholder is trying to make a payment to a gambling operator. If the cardholder has a gambling block on their card, that payment should be declined.
- While the Gambling Commission has banned gambling with credit cards in Britain from 14 April 2020, it remains the case that debit card deposits are much more prevalent (at least for online gambling) making gambling blocks on debit cards a useful part of any self-exclusion toolkit to help minimise gambling harms.

What is a bank card gambling blocker?

Customers of some UK financial services firms now have the option to activate a time-limited gambling block, which – when activated – prevents them from being able to pay for gambling using their credit card and/or debit card (which we refer to collectively as bank cards). These gambling blocks, which have emerged in the UK over the last two years, essentially use technology to formalise and digitise everyday practices that people had already been using to restrict their spending on gambling, and do so in a way that may be less easy to circumvent. Figure 1.1 provides some examples of these informal practices, taken from our analysis of online posts by people seeking support for gambling problems on GamCare's forum.

"I'd love to bring those physical controls that you've heard talked about into the virtual environment but in a way that actually then means you can't easily cheat them."
(Bank interview).



Figure 1.1

Gambling blocks offered by banks formalise practices that people have used for a long time to restrict their spending on gambling:

- Leaving your purse or wallet at home, and instead taking out a prepaid card with a small sum of money loaded on it.
- Removing debit and credit cards from your purse or wallet and giving them to a trusted third party.
- Blocking or limiting ATM withdrawals on debit and/or credit cards.
- Covering or scratching-off the security number on the back of your card, to prevent the ability to deposit money into online gambling accounts.
- Opening a basic bank account with no overdraft facility.
- Taking out only a small amount of cash to gamble with.

In a separate move, the Gambling Commission has banned gambling with credit cards with effect from 14 April 2020. This means that gambling operators with a licence to operate in Britain should no longer accept credit card payments from their customers in England, Scotland and Wales, including through any money service business which allows credit cards deposits (such as an e-wallet like PayPal or Skrill or other fintech or electronic money institutions that enable e-money transfers).² While this is a welcome step, it remains the case that debit card deposits are much more prevalent than credit card deposits (at least for online gambling operators) (Gambling Commission, 2019a), making gambling blocks on debit cards a useful part of any self-exclusion toolkit to help minimise gambling harms.

Other self-exclusion tools

Other self-exclusion tools include schemes for people to self-exclude from physical spaces of gambling, such as the Multi-Operator Self-Exclusion Scheme (MOSES)³; services for people to exclude themselves from online gambling, such as GamStop⁴; and software such as Gamban⁵ that people can use to restrict their access to gambling-related digital content on personal computers, tablets and smartphones.

The academic evidence indicates that, in the round, self-exclusion can be helpful to vulnerable adults who experience harm from gambling. Obstacles to wider use include lack of awareness of self-exclusion tools; embarrassment and stigma around enrolment in schemes; concerns about confidentiality and privacy; and the inconvenience of physical self-exclusion schemes that require people to register at each gambling outlet (Rogers et al, 2019). As we go on to discuss, low visibility and awareness of gambling blocks on bank cards was also flagged as an issue in our research.

²The Gambling Commission ban applies to all online and offline gambling products except for non-remote lotteries. For example, you will still be able to buy a National Lottery ticket or scratchcard in a supermarket with a credit card; or a society lottery ticket in a charity shop.

³Multi-Operator Self-Exclusion Scheme (MOSES): <https://self-exclusion.co.uk/>

⁴Gamstop: <https://www.gamstop.co.uk/>

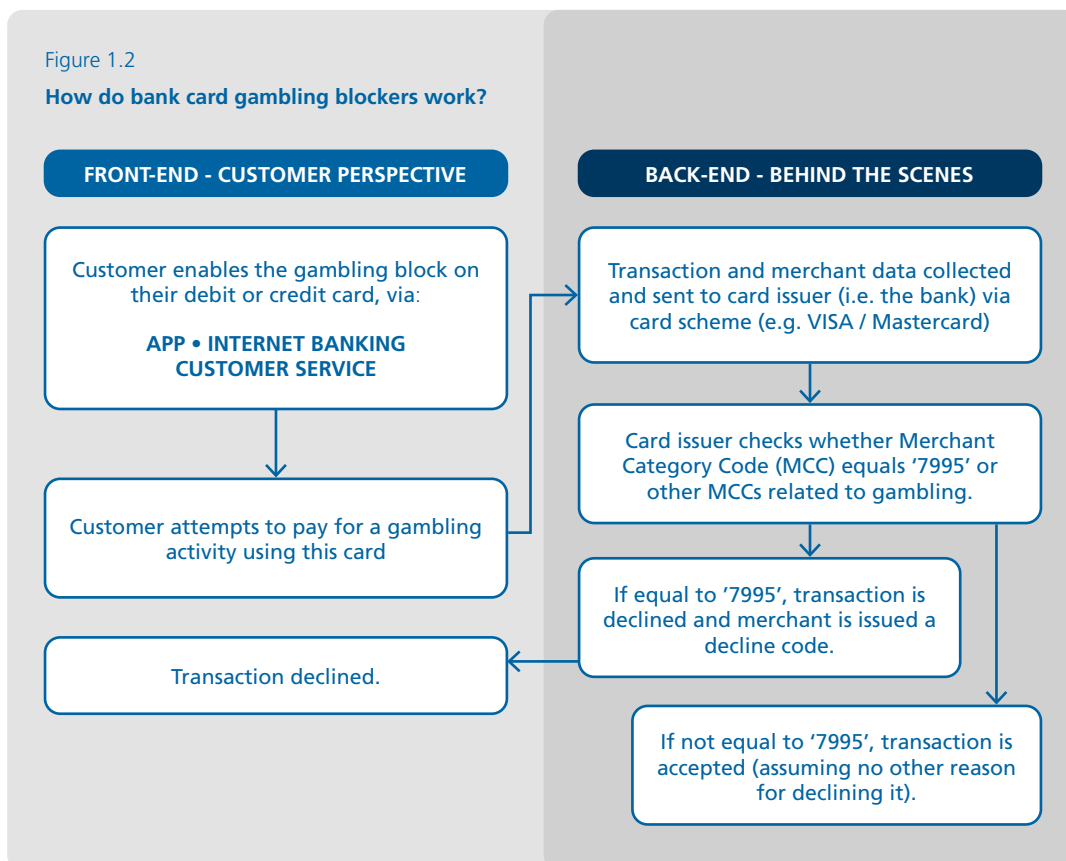
⁵Gamban: <https://gamban.com/>

How do gambling blocks on bank cards work?

Gambling blocks on bank cards comprise a front end and a back end. The front end is the customer interface – how customers find and enable/disable the gambling block, for example, within a banking app, on a bank website or in conversation with bank staff. The back end is the mechanism by which gambling transactions are blocked. This mechanism is built into the card payment cycle, as shown in Figure 1.2.

In practice, when a customer tries to use their bank card to gamble, a transaction request is passed from their card to the card issuer (i.e. the bank). The bank automatically checks whether the merchant at which the cardholder is trying to make a transaction is categorised as a gambling operator – based on Merchant Category Codes (MCCs), which are four-digit numbers associated with every ‘merchant’ that takes card payments. If the customer has a gambling block on their card and the MCC relates to gambling, the bank should decline the transaction. If the MCC does not relate to gambling, the bank should accept the transaction (assuming no other reason exists for declining it).

The most common gambling-related MCC is ‘7995 - Betting (including Lottery Tickets, Casino Gaming Chips, Off-track Betting and Wagers at Race Tracks)’. Others that banks block include ‘7800 – Government-owned lotteries’; ‘7801 – Government-licensed on-line casinos (on-line gambling)’; ‘7802 – Government-licensed horse/dog racing’ (but it is unclear the extent to which these other codes are actually used by gambling operators in Britain or internationally).⁶



⁶For a list of Merchant Category Codes (MCCs), see: <https://www.mastercard.us/content/dam/mccom/en-us/documents/rules/quick-reference-booklet-merchant-edition.pdf>

Section 2: Which UK banks offer gambling blocks?

Section summary:

- We look in this section at which UK banks currently offer gambling blocks on their bank cards, their motivations for developing gambling blocks, and the balancing acts and trade-offs that banks had to make during the development of their gambling blocks.
- Eight financial firms in the UK currently advertise gambling blocks. We estimate that gambling blocks on debit cards are available for roughly 60% of personal current accounts (about 49 million accounts) and at least 40% of credit card customers (roughly 26 million cards).
- Our interviews with banks highlight three main motivations for developing gambling blocks: 'soft' pressure from financial services and gambling regulators; evidence of customer harm from gambling; and 'peer pressure' as other banks launched gambling blocks for their card customers.
- While experts by experience were positive about the fact that some banks offered gambling blocks, they felt that if the industry was serious about reducing gambling harms then gambling blocks would be a standard feature on all bank cards across the sector.
- Our interview data shows that banks had to weigh up what they could do to reduce gambling harms without seeming like they were telling customers how to behave or what to do with their money. Legacy systems and internal bureaucracy were challenges for large banks.

Which UK banks currently offer gambling blocks?

At time of writing, eight financial firms in the UK advertise and offer gambling blocks to all their customers with a credit or debit card (Figure 2.1) and we have focused on these eight in our research. We know of at least one more firm (Capital One) that offers a gambling block service on a more case-by-case basis; for example, where customers ask for it or are in financial difficulty.

Five of the nine largest banks and building societies in the UK⁷ offer their customers gambling blocks either on credit cards, debit cards or both. In alphabetical order, these are: Barclays (which includes Barclaycard); HSBC; Lloyds Banking Group (which includes Lloyds Bank, Halifax, Bank of Scotland and MBNA); Royal Bank of Scotland Group (which includes Royal Bank of Scotland, NatWest and Ulster Bank); and Santander. In addition to these five large banks, three other banks – Cashplus, Monzo and Starling – also offer gambling blocks.

The four large banks that do not currently offer gambling blocks are: Nationwide Building Society, Bank of Ireland, Danske Bank (Northern Ireland) and First Trust Bank (Northern Ireland).

As shown in Figure 2.1, gambling blocks have been available as a standard feature on debit and credit cards in the UK since June 2018, with most of the major banks launching throughout 2019. The blocks differ in a range of ways, which we explore in the second part of this report, but one of the most crucial aspects is the 'cooling-off period' that they offer to customers – the amount of time after a customer disables the block before they are able to gamble again. While some offer no cooling-off period, others offer as much as a 48-hour wait.

⁷By personal current account volume, source: <https://www.openbanking.org.uk/about-us/glossary/>

Figure 2.1 – Which UK banks currently offer gambling blocks?

Bank	Type of block	Cooling-off period	Launched in...
Barclays / Barclaycard	Debit and Credit	N/A	Dec 2018
Cashplus	Debit and Credit	48 hours	Apr 2019
HSBC Group	Debit and Credit	24 hours	Nov 2019
Lloyds Banking Group	Debit and Credit	48 hours	Nov 2019
Monzo	Debit	48 hours	Jun 2018
NatWest / RBS	Credit	N/A	Oct 2019
Santander UK	Debit and Credit*	N/A	Mid 2019*
Starling Bank	Debit	48 hours**	Jun 2018

*Santander's gambling block is available to customers with cards on the Mastercard card scheme, which all credit cardholders are but debit cardholders are currently on VISA until their card is renewed (or request for it to be renewed). It was given a 'soft launch' in 2019 on their 'Wallet app' and was rolled out to their main banking app in early 2020.

** When first launched, the Starling Bank card gambling blocker had no cooling-off period but this was amended to a 48-hour cooling-off period in March 2020.

Current market coverage

Debit card coverage: There are 77.4 million personal current accounts in the UK (FCA, 2020). We estimate that gambling blocks on debit cards are immediately available for roughly 63% of current accounts (about 49 million accounts). Unsurprisingly, most of these are accounted for by the three big banks: Barclays, HSBC and Lloyds Banking Group (see Appendix for details).

Santander is effectively rolling-out the ability to block gambling on a debit card as its customers migrate from VISA debit cards to Mastercard. While any customer could request a new card and therefore access the gambling block, for the purposes of this calculation we treat Santander as not currently offering a block on its debit card – but acknowledge that the percentage of customers who can access gambling blocks is increasing all the time.

If NatWest / Royal Bank of Scotland Group and Santander offered gambling blocks on their debit cards as well as credit cards, then we estimate that gambling blocks would be available for around 90% of current accounts (about 70 million accounts – roughly 22 million more than at present).

Credit card coverage: There are 61 million credit cards in the UK according to trade association UK Finance. We know that some of the largest credit card issuers in the UK offer their customers gambling blocks (Barclaycard, Lloyds, HSBC), while coverage within the smaller, but still important, subprime market appears to be lower.⁸ Extrapolating from scant publicly available data, we estimate that gambling blocks are available on at least 40% of credit cards in the UK (roughly 26 million cards) (see Appendix for details).

As of 14 April 2020, licensed gambling operators are no longer allowed to accept payment by credit card. We discuss what this may mean for gambling blockers on credit cards in Section 7.

⁸Subprime cards typically have a higher APR and are often offered to those with impaired or thin credit files.

What has motivated banks to develop gambling blocks?

Where UK banks have developed gambling blocks on their bank cards, they have done so voluntarily. So what motivates banks to invest in gambling blocks? Our interviews with banks highlight three main reasons – ‘soft’ regulatory pressure; evidence of customer harm from gambling; and pressure as other banks began to launch gambling blocks. We explore each of these below.



On the regulatory radar

The fair treatment of vulnerable customers by financial services firms has been moving up the regulatory agenda in the UK for several years, stimulated by an Occasional Paper published by the Financial Conduct Authority in 2015 (Coppack et al, 2015). In its 2019 proposed guidance for firms on the fair treatment of vulnerable customers, the FCA cites gambling blocks as an example of good practice of supporting vulnerable customers through product design (FCA, 2019).

Our interview data shows that this longer-term pressure from the FCA had influenced banks’ decisions to develop gambling blocks on their cards. In addition, the Gambling Commission – which regulates gambling operators, not financial firms – had consulted financial services firms about banning gambling on credit cards. Such focus from a regulator, according to our interviewees, had also helped to focus minds on reducing gambling harms.



Evidence of gambling harms among customers

Several of the banks we interviewed were prompted to develop gambling blocks because of evidence of gambling harms affecting their customer base – such as individual customer requests for a gambling block; or analysis of transaction data that showed financial harm where customers were spending large proportions of their income on gambling. While action on gambling could also protect the bank (for example by limiting bad debt), there was a strong sense among our interviewees that developing a gambling block was the morally right thing to do: “... lots of engineers and designers in the company felt really passionate about this proposal because... it’s the right thing to do isn’t it? We just knew that customers were asking for it.” (Bank interview).

Moreover, there was a feeling that consumers now expect firms (financial or otherwise) to do more to tackle social issues such as gambling. Along with regulatory pressure, this societal expectation marked a step-change in recent years that our bank interviewees saw as opening up opportunities to design ‘socially useful’ products and services: “I’ve worked in this company for 20 years – it’s certainly a lot easier to get things done now in this space than it ever was.” (Bank interview).



Pressure as other banks began to launch gambling blocks

As Figure 2.1 shows, Starling and Monzo (both online-only banks) were the first to launch gambling blocks in summer 2018. At least one bank that we spoke with was inspired to design its own gambling block by such trailblazers. One of the front-runners also acknowledged being influenced by the basic bank accounts offered for many years by a major bank which did not allow account holders to gamble. While no firm that we spoke to explicitly said that positive PR was a reason for developing a gambling block, some acknowledged that they had received good press coverage as a result.

What did our Advisory Boards think of banks' motivations?

The topic of banks' motivations to develop gambling blocks came up in several of our Advisory Boards with experts by experience. While they were positive about the fact that some banks offered gambling blocks, participants were concerned that it might mainly be motivated by a desire for positive PR at a time of significant media coverage around gambling. In their view, if banks were serious about reducing gambling harms then gambling blocks would be a standard feature on all bank cards across the sector: "[If] they made sure that anything that was positive to help people control gambling was then rolled out for every financial institution then at least we wouldn't have to sort of try searching... Everyone would know what was happening, it would be a level playing field." (Advisory Board participant)

Participants also queried whether banks had a conflict of interest here – on the one hand, wanting to help reduce gambling harms but on the other making money from customers who borrowed to gamble: "I feel like banks are thinking 'oh maybe we should like look like we're paying attention' but they still want people to rack up overdrafts and they still want people to rack up debts because that's how they make their money back and it's not fair on anyone." (Advisory Board participant). For some participants who'd had problems with gambling, it felt like too little, too late – particularly if their own bank had not been especially helpful when they sought advice about gambling-related debt.

Balancing acts, trade-offs and challenges

Our interview data shows that once a bank decides to develop a gambling block, it is likely to face various balancing acts, trade-offs and challenges along the way. We describe below the main examples of these. The potential commercial impacts of gambling blocks were notably absent from our interview discussions, possibly because these banks had already decided to invest in gambling blocks; or because our respondents were not always directly involved in those decisions.

What to block?

Early in the development process, banks must decide what they want to block. This might include decisions around individual Merchant Category Codes, but also which banking products to apply a block to – debit cards, credit cards or both? The banks we spoke to recognised that gambling with credit, i.e. money that is not yours, could be a sign of risky gambling behaviour. Therefore, despite knowing that the Gambling Commission was likely to ban credit card gambling, some banks pressed ahead with gambling blocks on credit cards because they were keen to provide such functionality to customers who needed it as soon as possible.

Getting the balance right

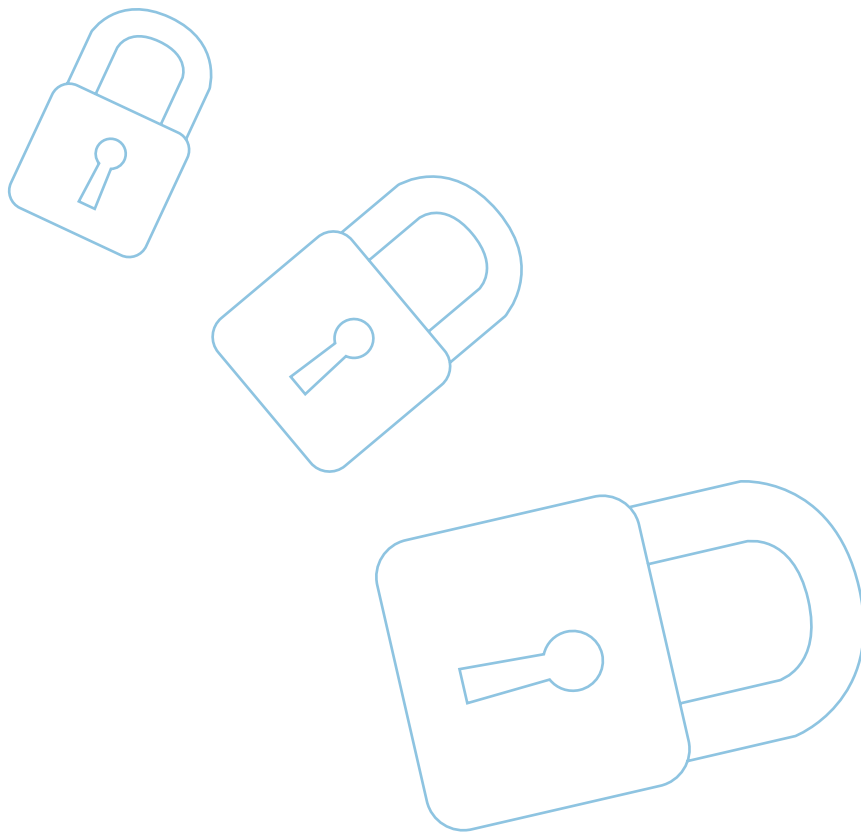
Our interview data shows that banks had to carefully weigh up what they felt they could do to reduce gambling harms without seeming like they were telling customers how to behave or what to do with their money, which risked negative customer reactions and possible knock-on commercial consequences. One bank we spoke to had initially considered automatically blocking all gambling on credit cards, because only a relatively small proportion of their customers gambled in this way. However, they eventually (prior to the wider ban on gambling on credit cards) deemed this excessive.

Systems challenges

Our interview data brings home the fact that ‘challenger banks’ enjoyed more freedom to act quickly to design and implement gambling blocks for their customers. In contrast, big banks acknowledged some technical constraints because of their legacy systems – which made it harder to progress a project like gambling blocks with “no return on investment” in a tough business environment. As large organisations with multi-layered decision-making processes, legacy banks also faced bureaucratic challenges to getting things done: “you often have to move at the pace of the most cautious, that’s part and parcel of working in any large organisation, particularly a financial services organisation.” (Bank interview).

‘Something now’ versus ‘perfect later’

One major bank acknowledged that bureaucratic and systems challenges meant they launched a gambling block with fewer features than they would have liked, from a desire to make something available to their customers sooner, rather than launching something perfect at a much later date.



Section 3: What is the evidence about the use and technical effectiveness of bank card gambling blockers?

Section summary:

- Aggregated data and statistical insights shared with us by banks suggests that as many as half a million people are using gambling blocks, but that approximately four-fifths of users were non-gamblers prior to turning them on.
- These 'non-gamblers' may still be people affected by gambling harms, such as partners of people with gambling problems; or people recovering from gambling problems who use gambling blocks to help protect against the risk of a relapse.
- Our evidence shows that bank card gambling blockers are technically effective. Many customers who turn on bank card blocks never try to gamble at all. Among those that do try to gamble, most transactions are declined.
- Based on this evidence of effectiveness, we believe there is a strong case for blockers to be a standard feature across a firm's full card range. One way to achieve this is for the Financial Conduct Authority - in its forthcoming guidance on the fair treatment of vulnerable customers - to recommend that every new debit and credit card is designed with consumer spending controls as standard, including those covering gambling transactions.
- Firms should swiftly report merchant transgressions to the card schemes. There seems to be an opportunity for them to make it as easy as possible for customers to report any gambling transactions that do get through a gambling block – like they do for suspicious transactions. Firms should also ensure they have mechanisms to report the same information to the Gambling Commission so that it can consider action against operators.

Who currently uses bank card gambling blockers?

While UK banks designed gambling blocks with the intention to help people with gambling problems and reduce gambling harms, gambling blocks are available to any customer who has the right debit or credit card. The banks that we interviewed shared a range of aggregated data and statistical insights about the use of their gambling blocks and the types of customer using them. Accepting that different banks used different definitions in their analysis (for example, to define 'heavy gamblers') and not all firms have conducted the same analyses, there are some interesting parallels between their statistics that enable us to draw out valuable new insights about patterns of use.

Overall, a relatively small proportion of customers use gambling blockers on bank cards

Based on the data that banks shared with us, a relatively small proportion of bank customers are using gambling blockers on their debit and/or credit cards – likely to total around 0.5 million customers across all banks that offer gambling blocks. This is perhaps to be expected, given that standard measures of problem gambling show relatively small proportions of adults are 'problem' or 'moderate' risk gamblers (although they still amount to around 0.7 million people); and the fact that some banks only recently launched their gambling blocks.

Monzo was one of the first banks to make a gambling block available to its customers, in summer 2018 – and the first to offer a 'cooling-off period' which requires users to wait 48 hours after deactivating the block before they can gamble, a feature which generated generally positive news coverage (e.g. Borland, 2018; Kobie, 2018; Whitworth and Beazley, 2018).

By October 2018, it announced that 25,000 of its one million customers – equivalent to 2.5 per cent – were using its gambling block. By the end of 2019 this had risen to 210,000 of an estimated 3.6 million customers. This is equivalent to nearly six per cent of Monzo's overall customer-base.

In our online survey of people with lived experience of problem gambling, more respondents were aware that Monzo offered a gambling block than any other firm. Even so, awareness among this group was still surprisingly low. Of those who were aware that any firm offers a gambling block, 56 per cent knew about Monzo.⁹ Of all respondents (those aware of gambling blocks generally and those who weren't), awareness of Monzo's block was 32 per cent.

Monzo appears – at least for the time being – to be an outlier when compared with other banks that shared data with us. As a proportion of firms' total customer base, usage rates were much lower, ranging from 0.1 per cent to 0.6 per cent.¹⁰ The picture may change over time as more customers at other banks start to use their gambling blocks.

Many non-gamblers use bank card gambling blockers

Data shared with us by banks suggests that, of those customers who turn on gambling blocks, the majority are not regular gamblers. One bank, for example, reported that 72 per cent of its debit card block users and 86 per cent of its credit card block users had not gambled in the past six months.¹¹ And in a published survey of its customers in 2018, Monzo found that just 15 per cent of block users said they were concerned about their gambling, with the remainder largely turning on the block for reasons of fraud/security or because they didn't gamble anyway. Repeating this survey in 2019, this had risen to 21 per cent of block users being concerned about their gambling. A further 1.5 per cent said they were using the block because of concerns about someone they know gambling on their account.

For one bank interviewee, a belt-and-braces approach to account security at a time of heightened concerns about fraud helped explain the tendency for non-gamblers to turn on a gambling block on their bank card:

"Some customers will just switch it on just because they think it's a safe thing to have, they're not gamblers, they've never gambled but, you know, we all like belt and braces features sometimes, particularly from a fraud perspective, if your card were to fall into the wrong hands, you know, there's a safety net there by switching those features on and leaving them permanently on, it limits the fraud exposure and customers. A lot of customers do it for that reason and that reason alone." (Bank interview)

While not necessarily the intended purpose of gambling blocks, it is right that well-designed products that take into account universal design principles are able to be used by anyone, for a range of purposes. When assessing the effectiveness of gambling blocks in reducing harm from gambling, we need to bear in mind that between two-thirds and three-quarters of block users do not gamble - while also acknowledging that they may nonetheless be affected by gambling harms (for example if their partner has a gambling problem). It is also possible that a proportion of these 'non-gamblers' may be gamblers in recovery who have not gambled for some time but still benefit from the added protection that a gambling block brings. This was certainly the case for some of our Advisory Board participants who used gambling blocks on their bank cards.

⁹88 people completed the survey, of which 50 were aware that some banks offer customers the ability to block gambling transactions on their credit or debit card. Of these, 28 were aware that Monzo offered this feature.

¹⁰These figures are our estimates based on public information about firms' customer numbers and do not consider the proportion of customers who are inactive (i.e. very low or no transactions on their account).

¹¹All figures relate to personal accounts, not business accounts.

Use by heavy gamblers

Proportionally-speaking, gambling blocks on bank cards seem more likely to be used by customers who gamble more frequently. One bank reported that 2.1 per cent of 'heavy' gamblers among its customers (who each spent more than £5,000 on gambling in the last 12 months) had turned on its gambling block, compared with 1.5 per cent of 'moderate' gamblers and just 0.1 per cent of low/non-gambling customers. While there are far fewer heavy gamblers overall, this rate of uptake was in their view a positive affirmation of the gambling block: "heavy gamblers have blocked 20 times as much as the non-gamblers, so we're encouraged by that."

Data shared with us by another bank also suggests that their block is being used by customers with high levels of gambling spend: they find that 4.5 per cent of their block users fall into a cluster of customers who each spent nearly £20,000 or more on gambling in the last 12 months.

Characteristics of bank card gambling block users

One bank shared with us information about the profile of its gambling block customers which was majority male (72%), two-in-five (42%) aged 30-44, and mainly single/unmarried. While this did not match the profile of its overall customer-base, it does broadly reflect the common profile of people with gambling problems (see for example Twumasi and Shergill, 2020).

Monzo's survey of customers in 2018 found that half of those who identified as concerned about gambling said they were not getting any other help in relation to gambling, suggesting that bank blocks may be able to reach people that other methods of self-exclusion do not. Its 2019 survey meanwhile found that over half of those who use the block because of a gambling problem have told their friends or family that they have switched it on.

Figure 3.1 – Who currently uses bank card gambling blockers?

<p>A small, but not insignificant, proportion of customers</p> <p>One bank reports that 6 per cent of their customers have turned on the block, while others largely report lower turn-on rates.</p>	<p>Many non-gamblers are using blocks</p> <p>72 per cent of one bank's debit card block users have not gambled in the past six months.</p>
<p>Heavy gamblers are using the blocks though</p> <p>According to one bank, 2.1 per cent of 'heavy gamblers' use its block, compared to 0.1 per cent of low/non-gamblers.</p>	<p>Block users are largely young and male</p> <p>72 per cent of one bank's block users are male and 42 per cent are aged 30-44.</p>
<p>Users may not be getting help elsewhere</p> <p>Half of Monzo's block users who were concerned about their gambling were not getting help from elsewhere related to their gambling.</p>	<p>Possible evidence of 'bet regret'</p> <p>One bank reported that three-quarters of the occasions when a gambling block was turned on happened shortly after the customer had gambled.</p>

When do people use bank card gambling blockers?

Interestingly, one bank reported that three-quarters of block activations occur 'just after' a gambling transaction. On the face of it, this may be evidence of 'bet regret'. However, this figure relates to any activation of the block, rather than first-time activations, so might be skewed by customers who turn off the block to gamble and then turn it on again. Another bank reported that peak activation of its block was between 6pm and midnight, though it was not clear the extent to which this differs from the use of other features that it offers.

One lender that we spoke to does not publicly advertise that it can block gambling transactions for customers, as it currently only allows customers to do so over the telephone (for this reason it is not included in Figure 2.1). This means that the vast majority of customers who use its gambling block service only do so once they are in financial difficulty: "Usually what we'll find at this point in time is that customers will contact us because they're struggling or they've got behind on their payments and then that is usually the trigger which provides the prompt for them to talk about why."

This firm recognised that it needed to move its blocking service further 'upstream' in the customer journey, so that customers could get support earlier if they have problems with gambling, before they get into financial difficulty.

Do bank card blockers successfully block gambling transactions?

At present eight financial firms in the UK make gambling blocks available to all their customers. Most of them provide gambling blocks across their full range of card products, i.e. debit and credit cards where both are offered or on the one type of card they offer. This means there are currently seven different debit cards and six different credit cards that have bank card gambling blockers.

The primary purpose of a bank card gambling block, once enabled, is to block gambling transactions – giving users added protection from the risk of gambling harms. In this section we look at the evidence about their effectiveness from three angles:

1. whether customers try to gamble when the block is on
2. whether they can gamble when the block is on, and
3. what support (if any) they get from their bank if they try to gamble when the block is on.

Overall, we find that bank card gambling blockers are technically effective. Based on this evidence, we believe there is a strong case for blockers to be a standard feature across a firm's full card range. One way to achieve this is for the Financial Conduct Authority - in its forthcoming guidance for firms on the fair treatment of vulnerable customers - to recommend that every new debit and credit card is designed with consumer spending controls as standard, including gambling blocks. This would help ensure that account holders across the entire market had the choice to activate a block on gambling products, rather than this only being offered on some accounts and products.

As we go on to discuss in Section 8, however, it is also important to consider the potential longer-term effectiveness of bank card blockers. Data from one firm showed that – despite having a cooling-off period – a few months after launching the block, a third (33 per cent) of block users who had gambled in the six months prior to using the block had disabled the block and returned to gambling (it is unclear how many did the former, but not the latter). This suggests that, even with positive friction in place, a significant proportion of block users may eventually return to gambling.

Conversely, the block might be considered effective, in the first few months at least, for as many as two-thirds of users with a prior history of gambling.

How often do users try to gamble while the transaction block is enabled?

There is evidence – related to software that blocks online gambling – that putting a block in place can act as a deterrent to gambling, as can the hassle of removing it (Winning Moves, 2018). Our evidence suggests that putting a bank card gambling blocker in place on a credit or debit card may have similar positive effects.

With the caveat that our survey had a relatively small number of people who use bank card gambling blockers, we find that 11 out of 26 people with lived experience of gambling problems (42 per cent) had tried to gamble on their card while a gambling block was enabled.

We have not seen data from banks on the proportion of customers who do and do not try to gamble while their block is enabled. However, data shared with us by one firm shows that per user, each month they block an average of 2-3 gambling transactions, representing 390,000 to 585,000 transactions in total per month. As these are average figures, we do not know whether blocked transactions are distributed evenly across their customer base or whether it is a subset of block users who attempt gambling transactions. Nevertheless, the fact that so many transactions are blocked at all is positive and indicates a need for such a tool. Indeed, the same firm reported to us that [‘the incidence of customer gambling dropped almost 70% in the month post enabling the block, compared to the previous month’](#).¹²

We look in Section 7 at the ways in which people might circumvent bank card gambling blockers (e.g. by using cash to gamble) and options to help them close those loopholes if they want to.

How often are gambling transactions accepted despite the blocker being enabled?

Several of the banks we interviewed reported a very small number of instances where customers were able to gamble even though they had a bank card gambling blocker enabled. This exclusively occurred where gambling operators – usually online and outside of the UK – used the wrong Merchant Category Code (i.e. one not related to gambling). Among our online survey respondents, four of the 26 respondents (15 per cent) who had used gambling blocks were able to gamble on their card despite the block being in place. As one of these respondents commented:

[“I have found that some online casinos don’t use the standard gambling merchant code and use one for a retailer which obviously doesn’t get detected by the bank blocking software.”](#)

Banks generally only learn of such instances if the customer gets in touch to alert them – so there may be more occasions that have ‘gone under the radar’. Nevertheless, to give a sense of scale, one bank reported fewer than 10 such instances since it introduced its block over 12 months before. Whenever this happened, it immediately re-categorised the gambling operator so it was blocked in future. It also reported the merchant to the card scheme (e.g. Mastercard / VISA) – who our bank interviewee reported [‘police these \[merchant category\] codes very heavily in relation to gambling’](#).

¹²Caution should be used, as it was not clear how the firm had defined the terms used in this analysis, or the population to which the finding pertains

While such instances appear rare, it is clearly important that firms swiftly report merchant transgressions to the card schemes. There seems to be an opportunity for banks to make it as easy as possible for customers to report any gambling transactions that do get through a gambling block – like they do for suspicious transactions. Firms should also ensure they have mechanisms to report the same information to the Gambling Commission so that it can consider action against operators.

Support for customers who try to gamble while blocker is enabled

There is a broader question about the support that banks could offer to customers in the event they do try to gamble while a transaction blocker is enabled. Beyond simply declining the transaction, banks could potentially take further ‘just in time’ action, such as signposting customers to specialist sources of advice related to gambling or even allowing the customer to set a personalised message to themselves which they receive if they try to gamble.

Our interviews with banks also raised the question about whether gambling operators should be alerted – via request response codes – to the fact that a transaction was declined because the customer had a gambling block turned on. One bank had been contacted about this by gambling operators when it first launched its block. The rationale was that, in theory, the gambling operator could use this information to operate more responsibly and discourage the customer from using other methods to pay for their gambling. The bank declined to cooperate with the gambling operators based on its concerns about whether the customer’s data should be shared and how gambling operators might use the information in practice:

“We think that’s important to protect our customers from an operator knowing why it’s declined, but operators wanted that information to, in their words, ‘add extra protection’... We decided to kind of keep our customers protected, because it’s their data essentially isn’t it, it’s their choice.”

On the gambling operator side, a declined transaction could indicate financial difficulty or a customer’s desire not to gamble. As such, operators should in any case think twice before allowing a customer to gamble using an alternative method, as Gambling Commission guidance makes clear:

“We expect both remote and non-remote operators, as part of their customer interaction and ‘know your customer’ procedures, to consider factors that might indicate that a customer is spending more money on gambling than they can afford.”
(Gambling Commission, 2020b)

Indeed, the Gambling Commission cites ‘declined payments’ as one trigger for a gambling operator to initiate an interaction with the customer to better understand the risk of the customer experiencing harms associated with gambling and to take action to resolve this, including the possibility of ‘refusing service or ending the business relationship’ (Gambling Commission, 2019b).

Section 4: Who might be helped by a bank card gambling blocker?

Section summary:

- Broadly, the primary audience are people seeking to change or control their own gambling behaviour, while a secondary audience are those who are concerned about someone else gambling on their account (whether someone they know, or someone they don't).
- Academic literature indicates that gamblers who are motivated to quit or reduce their gambling can achieve significant self-directed changes; with factors such as ease and speed of getting help, privacy and lack of perceived stigma being important enablers.
- There may be as many as 2.15 million people for whom gambling blocks could be a potentially helpful option (comprising 'problem', 'moderate-risk' and 'low-risk' gamblers). Data from banks suggests that as many as half a million people are using gambling blocks, but that approximately four-fifths of users were non-gamblers prior to turning them on.
- These 'non-gamblers' may still be people affected by gambling harms, such as partners of people with gambling problems; or people recovering from gambling problems who use gambling blocks to help protect against the risk of a relapse.

Who might benefit from gambling blocks on bank cards?

Gambling is a popular activity in Britain,¹³ with about half (47%) of adults aged 16+ saying they participated in at least one form of gambling¹⁴ in the previous four weeks – around 25 million people. One in five (21%) adults had gambled online (Gambling Commission, 2020a).

Standard measures of problem gambling show that most people in Britain who gamble do not experience negative consequences as a result. Nonetheless, it is estimated that 0.5% of adults (16+) are 'problem' gamblers, who gamble with more severe negative consequences and a possible lack of control (Gambling Commission, 2020a). **This equates to roughly 269,000 people.** A further 0.8% are 'moderate-risk' gamblers, who experience a moderate level of problems leading to some negative consequences (Gambling Commission 2020a).¹⁵ **This equates to roughly 430,400 people.** Low-risk gamblers (defined as experiencing a low level of problems with few or no identified negative consequences) are estimated to make up 2.7% of adults, or roughly 1.45 million people.

Among people who have gambling problems, only a minority seek professional help to deal with their gambling (Rodda et al, 2018; Suurvali et al, 2008) and this is usually only once the problem is severe (Hing et al, 2015). Qualitative research finds that gamblers with lower problem severity tend to use non-professional help such as self-exclusion, peer group support and self-help, rather than professional help (Hing et al, 2015). This suggests that self-exclusion tools like gambling blocks on bank cards may directly benefit these groups of people to keep their gambling under control.

¹³The Gambling Commission's research and statistics relate to Britain only (i.e. England, Scotland and Wales), as it does not regulate gambling in Northern Ireland.

¹⁴Including the National Lottery.

¹⁵Problem and at-risk gambling figures are based on the Health Survey (England 2018).

Therefore, the theoretical primary audience for gambling blocks on bank cards seems to be ‘problem’ and ‘moderate-risk’ gamblers – which on current estimates is around 0.7 million people. An important caveat is that an individual must recognise that a problem exists and be willing to take action to try and address it, as we show in Figure 4.1, which draws on the Health Belief Model (Janz and Becker, 1984). Some of the known reasons for wanting to address gambling problems include negative emotions; financial consequences; family issues; feelings of guilt; and incompatibility with one’s self-image (Kushnir et al, 2018).

For people who are open to change, gambling blocks on bank cards offer an opportunity to act that should be relatively quick and easy (provided they can access cards with this functionality); with the advantage of privacy; and avoiding the perceived stigma of disclosing a gambling problem – which are known barriers to accessing help among people with gambling problems (e.g. Giroux et al, 2017; Hing et al, 2015; Motka et al, 2018). There is evidence that gamblers who are motivated to quit or reduce their gambling can achieve significant self-directed changes in their gambling over a relatively short time (Kushnir et al, 2018).

In addition, there is also potentially a secondary audience for gambling blocks comprised of people who are concerned about someone else gambling on their account – whether this be someone they know (for example, a family member or friend) or someone they don’t (with the block used for general fraud/ crime prevention purposes).

Figure 4.1

‘Ideal’ conditions for someone who is at-risk of gambling harms to use a bank card gambling blocker:

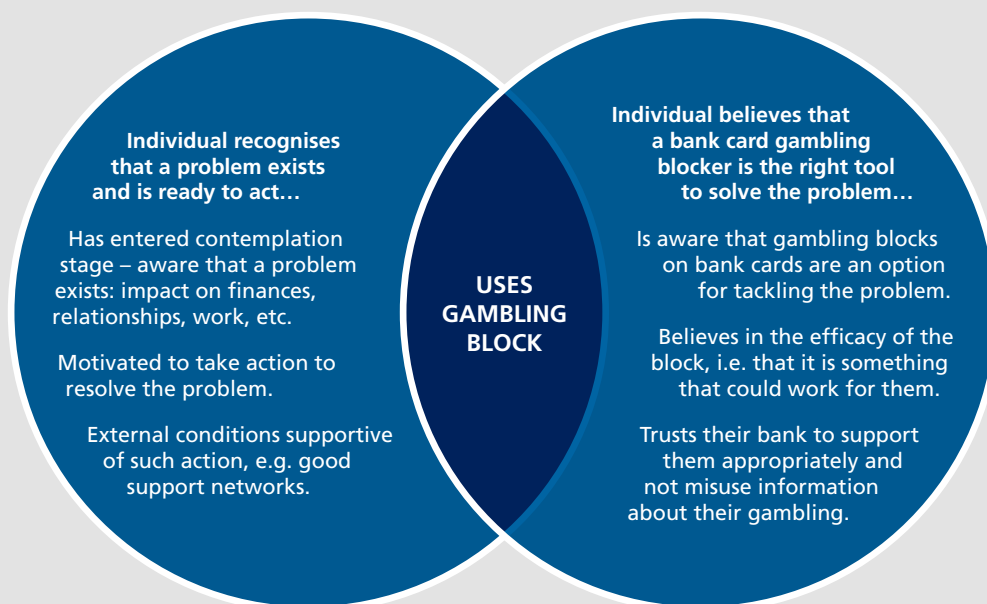


Figure 4.2

What did our Advisory Boards think?

Advisory Board participants talked about three scenarios where gambling blocks could be helpful:

- **To stop gambling escalation** among people who have not crossed “the invisible line” into gambling problems – such as the 1.45 million people defined as ‘low-risk’ gamblers. In practice, people would have to want to control their gambling for this to work and as one participant acknowledged: “I don’t know if anyone has got the answer to exactly where you have to try and catch people before they step over this line”.
- **To help people take the first steps towards change** when they recognise their gambling is a problem. There was a feeling that – at least for some people – there might be ‘low points’ or moments when they wanted to stop or reduce their gambling, when gambling blocks could make a difference. This could be as much about knowing that someone like a bank is ‘on your side’ as anything else: “If I was in the mindset ‘Right I’m not gonna gamble, just today I’m not gonna have a bet, or just for this next hour I’m not gonna have a bet’. If I thought they were on my side that would help me”.
- **To help people maintain their recovery from gambling problems** which from their own experience many of our Advisory Board participants knew was difficult “... because even when you wanna stop it’s bloody hard”. In our expert dialogues with clinicians and treatment providers, they reported that discussions about gambling blocks were useful early in the treatment cycle because they are an achievable step towards helping clients feel that things can improve.

Figure 4.3

How many gamblers might benefit from using gambling blocks on bank cards?

- As many as **25 million recent gamblers** might benefit from using a gambling block.
- The number categorised as having any risk from gambling is **2.15 million adults** (ranging from ‘problem’ gambling to ‘low-risk’ gambling).
- The **0.7 million people categorised as ‘problem’ or ‘moderate-risk’ gamblers** might stand to benefit the most from using a gambling block.

The evidence suggests that for each gambler with a problem, six other people are negatively affected – so the benefits could potentially be felt by between **1.6 and 4.2 million people**.
- Our estimates show that around **0.5 million bank customers** currently use a gambling block on their credit or debit card but **only 0.1 million of them seem to be recent gamblers** suggesting there is considerable scope to increase the take-up of gambling blocks by bank customers who would benefit from them.

PART TWO: THE FUTURE DIRECTION

In Part 1, we set out the current UK situation regarding gambling blocks on bank cards, recognising them as a potentially useful tool for people who want to quit or control their gambling (or alternatively to prevent someone else from gambling with their bank cards). Based on the evidence, we believe that every card holder should have the option to use a card blocker.

In Part 2, we use our data as a starting point to suggest the possible future direction of bank card gambling blockers, with the aim of helping banks boost the take-up of gambling blocks and maximise their efficacy for customers affected by gambling problems. This is not just about banks, however, and we also indicate other organisations that need to be involved to help deliver this change.

Part 2 is structured around four challenges:

- **Make more people aware of bank card gambling blockers**
- **Get more people using bank card gambling blockers**
- **Maximise the effectiveness of bank card gambling blockers**
- **Give people more control.**

We then consider what else might be done by financial services firms, beyond gambling blocks, to help reduce gambling harms.

Section 5: Make more people aware of bank card gambling blockers

Section summary:

- Bank data suggests that just a fifth of gambling block users are likely to be those at higher risk of harm, and awareness of gambling blocks among this group may be modest, with four-in-ten (43 per cent) of our 88 survey respondents being aware that such tools exist.
- Based on this evidence, we believe that every firm should routinely, strategically and sensitively raise awareness of their gambling blocks.
- There are opportunities to do this across the customer journey: from account opening, as a part of regular customer communications, if customers disclose gambling issues or look for help when they experience financial difficulties.
- Transaction data also offers great potential for banks to identify potential gambling problems and interact with those customers (including to tell them about gambling blocks and other support). Providing simple, factual information where there is evidence of gambling harm could be a possible first step.
- In addition to banks, gambling treatment providers and support networks, gambling operators and debt advisers can get help the message out about bank gambling blocks.
- GambleAware (and other organisations which provide education related to gambling) should help create a consumer awareness campaign that places bank card blockers alongside other forms of self-exclusion and player controls.

How aware are consumers of bank card gambling blockers?

The Gambling Commission reports that half of respondents (51%) in its 2019 annual survey of consumer gambling behaviour in Britain had seen a gambling advert on the television in the last week; while 44% of online gamblers said they had been prompted to spend money on gambling by seeing adverts (Gambling Commission, 2020a). In our Advisory Boards, participants spontaneously talked about the prevalence of gambling adverts - ranging from campaigns run by major gambling operators through to Facebook raffles - as well as the boundless and frictionless world of online gambling where there were no physical restrictions to gambling and many ways to pay to gamble which meant that people could go from “zero to devastation in a very short period”.

By way of comparison, awareness of gambling blocks seemed modest in our online survey given that most respondents were in touch with gambling treatment and support services. Just over half (57 per cent) of those we surveyed¹⁶ were aware that some banks and lenders offer customers the ability to block gambling transactions on their credit or debit card. Awareness was highest for Monzo (56 per cent of those aware of any block¹⁷ and 32 per cent of all respondents), followed by Lloyds Banking Group (34 and 19 per cent respectively), and Barclays (30 and 17 per cent respectively). Moreover, the data shared by banks shows that just a fifth of gambling block users are likely to be those at heightened risk of gambling harms.

¹⁶ Base for this question is all respondents (N=88).

¹⁷ Base for this question is respondents who were aware that some banks offer gambling blocks (N=50)

Among our Advisory Board participants – who ranged from occasional gamblers to people who had experienced serious gambling harms – awareness of bank card gambling blockers was patchy. Some participants – like Glyn – were told about it when they joined a residential gambling treatment programme. Others – like Lewis, who was keen to reduce the amount he gambled online – found out about it by chance when they opened a new account with a bank that offered a gambling block. Nor was being in touch with treatment services or peer support networks any guarantee of hearing about bank card gambling blockers, as the following dialogue in one of our Advisory Boards shows.

Participant 1: “How much does [gambling blocks] get spoke about in the GA [Gamblers Anonymous]?”

Participant 2: Never, honest to god, I’ve never had it really come up at all.

Participant 3: It’s one thing I’m very surprised at like I still speak to like recovering gamblers now and they don’t even know about it, I’m like ‘how do you not know about it?’ it’s one of the first things I sort of talk about.

Participant 2: I mean now I’ve read this about, I mean I would be recommending it to people who are newcomers coming in.”

(Advisory Board)

Opportunities for banks to boost awareness of gambling blocks

Despite national media coverage of some gambling blocks around their launch, our evidence suggests banks and others could do more to boost awareness of gambling blocks on bank cards. We believe that every firm should routinely, strategically and sensitively raise awareness of their gambling blocks if they help reduce gambling harms.

For banks, the opportunities include:



Customers who disclose a gambling problem. If a customer (or a third party) discloses gambling problems to any member of bank staff – whether in-branch or remotely – that member of staff should be trained on the various options that may be available to the customer, including gambling blocks. At the same time, Advisory Board members were concerned that bank staff should know when to signpost someone to specialist services such as gambling support or emotional support services.



Customers in financial difficulty. Where a customer is contacted for reasons of financial difficulty and their account shows potential gambling problems, staff should at least be able to signpost the customer to options such as gambling blocks in a non-judgmental way, for example focusing on the fact that ‘some customers’ find gambling blocks helpful.



In-app / online banking ‘advertisements’. Several banks already proactively advertise their gambling block to customers when they open their banking app or log onto online banking – which was how some Advisory Board participants had found out about them. Similarly, banks could promote these features within other customer communications (such as letters, emails or television advertisements). This type of promotion could be particularly pertinent for banks that sponsor major sporting competitions or events.

¹⁸All participant names given throughout the report are pseudonyms.



At account sign-up. At the very least, gambling blocks should be highlighted within ‘card features’ information sent to new customers. A more radical suggestion from our Advisory Boards was for banks to give all new customers the option to opt out of gambling transactions when they open an account – or even make gambling blocks the default on bank cards so that customers have to opt in to be able to use the card to gamble.



Proactive identification from transaction data. One common theme in the Advisory Board discussions was the fact that banks should be able to ‘spot’ customers at risk of gambling problems from their transaction data. We explore in Box 5.1 the pros and cons of using transaction data to identify customers to whom a gambling block could be advertised, for example ‘push’ notifications by text message or in-app.

“If you went through my bank statements there wouldn’t be a £30 food shop or something like that on it, it would have just been Ladbrokes, Ladbrokes, Ladbrokes, Ladbrokes, Ladbrokes, oh I might have withdrawn some money, oh paid in by Ladbrokes and then it would be withdraw, Ladbrokes, Ladbrokes, Ladbrokes.” (Advisory Board)

Case study 1: Drew’s story

Drew is 26 years old and works in construction. Until recently, he had gambled in online casinos most days on his mobile phone or tablet (playing online slot machines on the side) and bet on online sports a few times a week.

He didn’t think too much about the amount he was gambling until he started to receive text messages from his bank asking him about certain gambling transactions that he had made on his account. Drew isn’t sure what triggered the bank to contact him – possibly the amount he had gambled or the fact the bank didn’t recognise the transactions. Whatever the reason, the bank blocked his bank card until he contacted the fraud team and answered some security questions. This gave him some time to reflect and made him think that his gambling was getting out of hand.

“... they’ll text me if I’ve been gambling, they do text me sort of saying ‘do you recognise?’, and they block my card and I’ve got to then answer a number of security questions to get back on...And that sort of makes me think, shit, I’m spending a bit too much...So there is little things like that, that have helped as well.”

As a result, Drew had opened another bank account that offered gambling blocks on its credit and debit cards and activated the blocks to help him cut back his gambling.

Box 5.1

Should banks use transaction data to identify customers who might benefit from a gambling block on their bank card?

Under the Social Responsibility Code of the Licence Conditions and Codes of Practice, gambling operators in Britain must interact with their customers in a way that minimises the risk of customers experiencing harms associated with gambling. This requires them to identify and interact with customers who may be at risk of harm and understand the impact of their intervention (Gambling Commission 2019b, 2019c).

Banks and other financial services firms have no such obligations, although they are expected by the Financial Conduct Authority to treat their customers fairly. In all five of our Advisory Boards, there was animated discussion about whether banks have – or should have – a ‘duty of care’ to interact with their customers (e.g. by phone, text, webchat) if they see warning signs of possible gambling harms in transaction data.

From the Advisory Boards’ perspective, there were some strong arguments for banks to interact with customers:

- There are few outward signs of gambling problems, whereas **banks often have a good ‘single customer view’ of income and spending** including signs of possible gambling harm, such as intense periods of gambling; spending your earnings on gambling as soon as they hit your bank account; bursts of borrowing from payday lenders; overnight gambling; direct debits that are repeatedly cancelled and reinstated.
- **Banks already contact customers proactively** based on their transaction data, for example to sell products or where they have concerns about possible fraud.
- If bank interaction has the **potential to make a positive difference** to even a small number of customers with gambling problems, it is worthwhile.

At the same time, they appreciated there were challenges for banks to work through:

- **Customers could react badly** to bank interactions as a perceived invasion of their privacy, which might risk adverse publicity and reputational damage for the bank.
- Bank interactions may have **little effect on people who gamble compulsively** – other than to annoy them – unless the bank took more drastic action such as temporarily freezing the account. Our Advisory Boards were unsure of banks’ powers and responsibilities to do this but some wondered if there could be a **‘social contract’** between banks and customers who wanted to control or quit gambling that set out clearly and transparently the interactions and actions that banks would make, and when.
- Our interviews with banks highlighted their concerns about the **ethical, legal and practical implications** of proactive interactions: **“No one knows how far we can go and are expected to go.”** (Bank interview). One bank interviewee suggested that banks might be on surer ground interacting with customers who had already used a gambling block rather than attempting ‘cold’ conversations with customers who had not: **“... [customers are] wanting to help themselves through the use of a gambling block feature and so there is a hook into that conversation. To contact someone purely based on the transactional behaviour alone is a more difficult conversation to start with.”** (Bank interview).
- **Much seems to depend on the nature and content of bank interactions.** A ‘push’ notification by text to tell a customer about the option to block gambling transactions on their card is less intrusive (but potentially less effective) than a phone call from the bank.

Opportunities outside of banks to raise awareness of gambling blocks

As well as opportunities for banks to raise awareness of gambling blocks, other organisations like those we describe below could potentially do more to promote gambling blocks to the people they encounter. GambleAware also seems well-placed to create and co-ordinate a clear campaign that places bank card blockers alongside other forms of self-exclusion and player control to raise awareness.



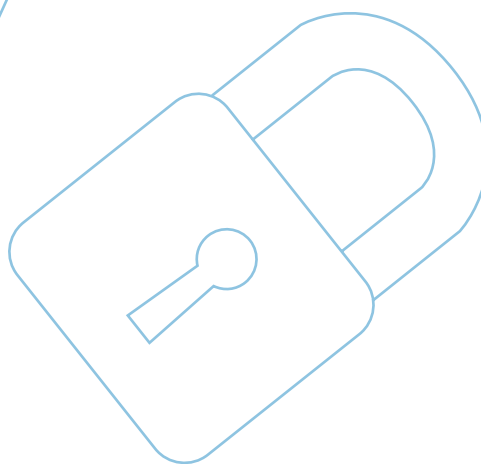
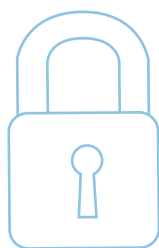
Gambling treatment providers and support networks. While some organisations may already be actively encouraging service users to explore the option of a bank card gambling blocker, this practice could be more widespread. Where possible, such organisations could support their users in signing-up to and implementing a block (alongside other methods of controlling their gambling).



Gambling operators. While online gambling operators are required by the Gambling Commission to allow customers to set financial limits across their gambling accounts, they could also signpost customers to bank card gambling blockers as part of any information about responsible gambling or advice on 'staying in control'.



Debt advice organisations. The average debt adviser deals with at least one client with a gambling problem every month and this rises to one per week for advisers who deliver advice over the phone or remotely. Despite this, just over a third (36 per cent) of advisers had received any training on dealing with clients with gambling problems (Evans et al, 2018). Given the natural co-occurrence of financial problems among their clients, there seems a strong case for advisers to receive more training on tools such as gambling blocks, as well as how to start a conversation with clients around their gambling.



Section 6: Get more people using bank card gambling blockers

Section summary:

- Increasing awareness of bank card blockers is an important first step, but awareness alone is no guarantee of increased uptake by customers who may benefit from them.
- Our evidence highlights practical things that banks can do to help overcome barriers and concerns that might stop customers from using gambling blocks, including:
 - Improve access to bank gambling blocks within wider suites of features.
 - Improve customer understanding of what blocks are – by using clear and consistent language around gambling blocks and cooling-off periods.
 - Explain to customers why the bank is tackling the issue of problem gambling (and wider vulnerability).
 - Address concerns around how the bank will use data on customers' use of gambling blocks and how this may impact access to credit, etc.
 - Consider greater customisability, to broaden the appeal of gambling blocks.

Use of bank card gambling blockers

Making a customer aware that gambling blocks exist is no guarantee that they will go on to use one. In our survey of people who had sought help related to gambling, we find that over half (54 per cent) of those who were aware of bank card gambling blockers had chosen not to use one.¹⁹

While the sample size for this group is small²⁰, the survey sheds some light on their reasons for not doing so: not being interested in using a gambling block (8 of 27 respondents), not having got round to it yet (5), believing that gambling blocks won't help them (4), not having an account with a bank that offers a block (3), no longer having independent access to their finances anyway (2), and being turned down for an account with a bank that offers a gambling block (2).

In our Advisory Boards, we heard that some participants chose not to use gambling blocks on their bank cards because they already self-excluded from gambling in other ways they found to be effective. One method of self-exclusion was sometimes felt to be enough (as we heard from Annette below), but participants who had experienced serious gambling harms typically had several safety-nets in place to stop them gambling – including gambling blocks on bank cards.

Recognising that customers may need extra help to reduce or quit gambling, some banks offer other services in addition to their gambling blocks on cards. Lloyds Banking Group, for example, launched a pilot project in January 2020 which offers its customers three months free access to Gamban gambling blocking software (Gamban, no date).²¹ Based on customer feedback, from March 2020 Starling Bank has added 'Gambling' as a new and separate spending category in the 'Spending Insights' tab of its banking app instead of grouping gambling transactions under 'Entertainment' as well as adding a 48-hour delay to its debit card gambling block (Starling Bank, 2020).

¹⁹ Base for this question is all respondents who were aware that some banks offer gambling blocks (N=50).

²⁰ Base for this question is all respondents who were aware that some banks offer gambling blocks, but who have not yet used one (N=27).

²¹ The usual price for Gamban is £2.49 per month on a monthly subscription or £2.08 per month on an annual subscription (correct at 2 April 2020).

Case study 2: Annette's story

Annette is in her 50s and regularly plays online bingo on her favourite site. She's heard about the gambling block on bank cards that her bank offers, but she's never thought about using it "because I think I'm under control". Every so often, however, she does self-exclude from online bingo for several months at a time in order to save money: "... even though I don't spend loads like I always have a cooling off period or whatever, if it's coming up to a grandchild's birthday... I have the control to do that myself."

Annette misses online bingo when she self-excludes – as the main carer for her disabled husband, it provides some excitement and helps pass the time in the evenings: "I've kind of felt lonely without it though, you know, it's sort of something to do on an evening... I'm there and I twiddle my thumbs thinking what now, and it was that little bit of adrenalin kick that made my evenings a bit more exciting... So it was kind of a friend as much as an enemy."

Overcoming barriers to using bank card gambling blockers: what can banks do?

In this section, we look at the steps banks can take to overcome barriers that might stop customers using gambling blocks on credit and debit cards. We focus on four potential barriers: accessibility, understanding, transparency and trust. We look later (in section 8) at other things banks can do to reduce gambling harms that might work in tandem with gambling blocks – such as providing customers with a 'pounds and pence' picture of their gambling spend.

1. Explain what bank card gambling blockers are

Our evidence indicates that more could be done industry-wide to harmonise the terminology used around gambling blocks on bank cards, explain them clearly and simply to customers and differentiate them from other forms of self-exclusion (which also get called 'gambling blocks'). As one bank interviewee put it:

"I do feel there's some progress we can make in the language that we use around some of these things. Sometimes banks have a habit of using 'banky' type language with customers which doesn't resonate very well... A lot of customers, they just wouldn't know what that meant and we need to find better ways to service that functionality more readily and in more customer friendly language." (Bank interview)

There was general recognition that terms such as 'gambling block' might mean more to consumers than other terms, such as 'merchant' blocks or controls. Gamban, online gambling blocking software, usefully distinguishes between three parts of the online gambling 'self-exclusion puzzle': self-exclusion schemes (such as Gamstop); blocking software (such as Gamban); and bank card gambling blocking (offered by banks) (Gamban, 2020). Such categorisation might be useful for banks to consider within their communications to customers.

2. Make sure gambling block features are readily accessible

Banks need to make it straightforward for customers to find a gambling block and turn it on if they want to – whether within app, online banking or via a customer service representative. This was something our bank interviewees acknowledged, and some were working to improve, for example by ensuring that gambling block features are intuitively placed within menus on digital channels.

One high-street bank told us that, at present, 96 per cent of occasions where someone turned on its gambling block were done via its app, with the remaining 4 per cent done via a customer service representative.

In addition to the ease and anonymity of app/online-based blocks, some banks also saw 'staffed channels' – such as telephony, webchat or in-branch – as important for enabling customers to use gambling blocks or to at least signpost customers in their direction. This may be especially important where customers get in contact in relation to financial difficulties but arguably any member of staff could receive information about a customer's gambling and be required to help in some way. Some large firms, however, cited practical difficulties in training all their staff to do this.

3. Be transparent about the use of customer data and impact on access to credit

We know from this work and earlier research that people have legitimate concerns about how firms use their data that can stop them using services like bank card gambling blockers. In a 2018 study, for example, two-thirds of consumers with mental health problems said they found it difficult to disclose their mental health problems to their bank, with nearly half (47 per cent) of those not disclosing choosing not to because of concerns about what the firm would do with this information. Similarly, two-in-five (39 per cent) chose not to disclose because they thought that doing so would stop them from accessing certain products or services in future (Collard et al, 2018).

While these figures are an improvement on an earlier survey (MIND, 2011), it shows that concerns around use of vulnerability-related data do persist over time. While disordered gambling is arguably something that banks can more easily spot than other mental health conditions, it is also often stigmatised and a condition which many choose to keep secret. This means that customer concerns about disclosure and use of such information may be even more heightened.

The potential impact of banks' bank card gambling blockers on customers' access to credit was a recurrent theme in our bank interviews. From the bank side, some had considered but rejected the idea that using a gambling block should mean customers were automatically declined credit – particularly as gambling blocks can be used by any customer, whether they gamble or not:

"There were various conversations, you know, if we put this block on do we then treat them in a different way because they've told us they potentially have a gambling problem? And we are absolutely adamant, from what we've learnt about their life, just because someone puts a block on it's not an indication of an issue." (Bank interview)

"We know that a majority of people that have the gambling block on are using it for security and not for problems with gambling. We don't want that as a feed into our credit decisioning because it will skew it massively." (Bank interview)

The general view from banks therefore is that data about a customer's use of a bank card gambling blocker should not be used in lending decisions and that it would be unfair to penalise someone for attempting to do the right thing. It is important that this is made clear to customers, for example in bank FAQs about gambling blocks – while also making clear that lending decisions may well take into account transaction data, including spending on gambling, as part of the affordability assessment that lenders are required to carry out. Indeed, in Financial Ombudsman cases, the Ombudsman has frequently deemed that a lender has acted irresponsibly if they failed to take into account transactional evidence of significant gambling spending as part of their lending decision.²²

Nevertheless, as we explore in the final section of this report, lenders can do more to allow customers to opt-out of access to consumer credit (e.g. through a Notice of Correction on their credit file).

²² See, for example: <https://www.financial-ombudsman.org.uk/files/165152/DRN6647877.pdf>, <https://www.financial-ombudsman.org.uk/files/174674/DRN7111817.pdf> or <https://www.financial-ombudsman.org.uk/files/45809/DRN1338740.pdf>

4. Improving consumers' trust in banks

Our evidence suggests a fourth potential barrier around consumers' trust in banks and banks' motivations for taking action to reduce gambling harms. As mentioned in Section 2, some Advisory Board participants questioned whether bank card gambling blockers were simply about positive PR and wondered whether banks had a conflict of interest, given that they may make money from customers who borrow to gamble. Poor experiences with banks meanwhile meant that some participants were even more sceptical and less inclined to trust the actions of banks.

A 2018 consumer survey showed that, ten years after the global financial crisis, trust in banks still remained low. Despite generally high levels of satisfaction among bank customers, two-thirds of adults (66 per cent) did not trust banks to work in the best interest of society (Palframan, 2018).

This perception highlights a broader issue related to banks' treatment of consumers in vulnerable situations. Unless firms take vulnerability into account right across their business – rather than only in specific areas – there is a risk that consumers see positive actions from firms as little more than lip service. How the financial services industry treats consumers during the COVID-19 crisis is likely to have a big impact on levels of trust in the future.

The question of trust also extends to customers' trust in the gambling block itself and how well it is likely to work for them. As we saw in Section 4, individuals need to have a strong belief in the efficacy of an intervention in order to be motivated to use it. One practical thing that banks can do, therefore, in their communications with customers is to highlight case studies of people who have benefitted (financially and otherwise) from using a bank card gambling blocker.

5. The possibility of greater customisability

In our online survey, most respondents who used bank card gambling blockers said they did so 'to stop gambling completely'. However, the reach of gambling blocks could be extended beyond people seeking to abstain to those who simply wish to spend less on gambling.²³ This could be achieved by offering customers the option to set either a hard or soft limit on the amount they can spend on gambling (or perhaps on other categories of spend, at certain merchants or at certain times – see Box 6.1).

Indeed, several Advisory Group participants (who felt they did not have any problems with gambling) commented on the 'black and white' nature of current gambling blocks, in which you can either spend as much as you want on gambling or nothing at all. For them, while on/off gambling blocks were too blunt for their needs, they could see some value in being able to set spending limits:

"If this was black and white: yes I can, no I can't have a bet, there is no way I'd switch it on. Just that's not going to happen with me." (Advisory Board participant)

"On websites you can I suppose limit yourself to £25 a day, £25 a week, now if I suppose banks and building societies somehow could adopt that approach then that again would limit, whereas you're not restricting it but you are setting a limit on your account, if you like." (Advisory Board participant)

²³ 17 of 22 respondents who had used gambling blocks said they used them 'to stop gambling completely', while six said they used them 'to reduce the amount of money they spent on gambling'.

Box 6.1 What other spending controls could banks offer?

Gambling blocks on bank cards are just one example of the spending controls that banks could offer. With the right IT systems in place, banks may also be able to offer other blocks or limits, such as:



Blocks on other merchant categories

Banks can theoretically block any merchant category code, whether this be fast-food restaurants (MCC 5814) or magazine subscription services (MCC 5968). An example of this already exists, which is Barclays' introduction of 'merchant controls' that allow customers to block spending on premium rate websites and phone lines, petrol and diesel, groceries and supermarkets, and restaurants, takeaways, pubs and bars.



Blocks on individual merchants

Customers may wish to control their spending by preventing themselves using their bank card at a specific merchant. Alternatively, they could allow themselves (or another cardholder) to only spend money at a specific merchant. While the former might be used by an individual to help them control their own spending, the latter could, for example, allow an account holder to limit spending on a separate card held by a carer to a specific shop – which may help avoid instances of financial abuse.



Blocks on spending at certain times

Customers may find it helpful to limit their spending at certain times of the day. For example, we know that late-night online shopping can be problematic for some people. They could choose to restrict the amount that they are able to spend between, say, 10pm and 7am.



Limit transaction value or volume

Customers could potentially limit the monetary value or number of transactions they make in a given period, for example to prevent them spending more than £500 or making more than 20 transactions in a day; or possibly no more than 25% of their monthly income in a single week.

At least one bank interviewee we spoke to could see potential in customising bank card gambling blockers for different customer needs:

“I think you do that blunt stuff and then you go ‘actually what’s the nuances below that?’, because if it’s black or white then some people who are in the middle will choose the white option rather than the black option, which then might lead to harm for them.” (Bank interview)

In our online survey of people with lived experience of gambling problems, we asked all respondents (whether or not they had used a gambling block) to rate a range of possible gambling block features from 0 to 10, with 0 being 'not important at all' and 10 being 'very important'.²⁴ Broadly there were high levels of support for features that would allow greater customisation of gambling blocks; although financial limits were slightly more favoured²⁵ over limits on volume, time of day or particular gambling operators:

- 59 per cent gave a score of 10 for 'being able to limit the amount of money you can spend on gambling', with 85 per cent overall giving a score of 7 or higher.
- 56 per cent gave a score of 10 for 'being able to limit the number of times you can gamble', with 78 per cent giving a score of 7 or higher overall.
- 57 per cent gave a score of 10 for 'being able to limit the times of day when you can gamble', with 76 per cent giving a score of 7 or higher overall.
- 57 per cent gave a score of 10 for 'being able to limit the gambling operators with which you can use the card', with 75 per cent giving a score of 7 or higher overall.

There were some concerns raised by Advisory Board participants about blocks that are only semi-restrictive, for fear they might give gamblers a false sense of control over their own behaviour i.e. the fact that they sometimes use a gambling block might make them feel that they are always in control of the problem, even when they are not using the block and may be spending excessively. From their personal experience of serious gambling harms, for people like them "it has to be nothing" – with strong support for banks to offer permanent bank card gambling blockers on cards.

The introduction of greater customisability may also conflict with making sure gambling blocks are straightforward to use and easily understandable. One compromise suggested by a bank interviewee was to offer customers fully customisable tools but with pre-defined 'recipe mixes' that match a range of customer needs.



²⁴ Base for this question is all survey respondents, i.e. people with lived experience of gambling problems (n=88)

²⁵ The difference in proportion of respondents giving a score of 7 or higher is statistically significant ($p < 0.05$) between limits on 'amount' and volume, time of day or particular gambling operators.

Section 7: Maximise the effectiveness of bank card gambling blockers

Section summary:

- While the evidence suggests that bank card gambling blocks are technically effective, it is important that firms swiftly report merchant transgressions to the card schemes. They can also make it as easy as possible for customers to report any gambling transactions that do get through a gambling block; as well as reporting the same information to the Gambling Commission so that it can consider action against operators.
- Following the Gambling Commission ban on credit card gambling, we believe there remains a case for financial services firms to offer gambling blocks on their credit cards. This is because many online gambling sites out of Britain are not registered with the Gambling Commission and continue to allow customers in Britain to gamble via credit card payments.
- In terms of using cash as a potential gambling block workaround, our Advisory Board participants were keen for banks to make it easier for customers to limit cash withdrawals where they want an extra 'safety net' in addition to a gambling block.
- Based on this evidence, we believe there is a case for banks to offer limits on ATM withdrawals as a standard option to customers who turn on a gambling block.
- Building on the Gambling Commission's credit card ban, we also see an opportunity for e-wallet providers to offer their own gambling transaction block with a time-released lock – or more radically an industry-wide scheme that allows customers to opt-out of spending on gambling across all e-wallet providers.

Monitoring the effectiveness of bank card gambling blockers

As we noted in Section 3, our evidence indicates that bank card gambling blockers are technically effective. Among customers that try to gamble after they have activated a gambling block, most transactions are declined. While such instances appear rare, it is clearly important that firms swiftly report merchant transgressions to the card schemes. In addition, there seems to be an opportunity for banks to make it as easy as possible for customers to report any gambling transactions that do get through a gambling block – like they do for suspicious transactions. Firms should also ensure they have mechanisms to report the same information to the Gambling Commission so that it can consider action against operators.

The Gambling Commission's ban on credit card gambling

As we noted in Section 1, the Gambling Commission has banned gambling with credit cards with effect from 14 April 2020.²⁶ This means that gambling operators with a licence to operate in Britain should no longer accept credit card payments from their customers in England, Scotland and Wales, either directly or through any money service business which allows credit cards deposits (such as an e-wallet like PayPal or Skrill or other fintech or electronic money institutions that enable e-money transfers) (Gambling Commission, 2020c).

²⁶ The Gambling Commission ban applies to all online and offline gambling products except for non-remote lotteries. For example, you will still be able to buy a National Lottery ticket or scratchcard in a supermarket with a credit card; or a society lottery ticket in a charity shop.

As we explore in Box 7.1, the Gambling Commission's ban leaves banks that offer credit card gambling blocks with some interesting decisions to make.

To maximise the effectiveness of bank card gambling blockers and help reduce gambling harms, we believe there remains a case for lenders to offer gambling blocks on credit cards. This is because many online gambling sites out of Britain are not registered with the Gambling Commission and continue to allow customers in Britain to gamble via credit card payments.

Box 7.1 Gambling blocks on credit cards after the ban on credit card gambling

Firms that offer credit card gambling blocks have several options following the Gambling Commission's ban on credit card gambling in April 2020:

1. **Do nothing** – leave gambling blocks as they are. This may risk confusing consumers.
2. **Remove gambling block** – as the ability to gamble on credit cards becomes diminished, banks could remove their gambling blocks from these cards. The risk is that some gambling operators (especially online) may not comply with the ban and still accept this money. After the ban, customers could also still gamble abroad or on illegal websites not licensed by the Gambling Commission.
3. **Remove gambling block but retain functionality** – there is an argument that to avoid customer confusion firms could remove the 'front-end' of their gambling block from their app / internet banking for credit card accounts but retain the 'back-end' functionality of the block. This means it could be switched on manually if requested by the customer; however, the fact that this is an option should still be made clear to customers (for example, if they choose to turn on a debit card block).
4. **Offer account-level blocks** – while technically more complex, firms that currently offer both debit and credit card blocks could combine these into a single block, whereby if a customer blocks debit card gambling transactions they also block those on credit card.
5. **Block all customer credit card gambling** – in the spirit of the Gambling Commission ban, credit card providers could automatically decline gambling transactions on all credit cards – regardless of whether the customer has chosen this option or not. This may be technically complex and could affect those using their credit card to gamble abroad but would likely be more effective than other options.

Workarounds: Do customers gamble in other ways while a block is enabled?

While bank card gambling blockers appear on the whole to be technically effective, there remain possible workarounds for determined gamblers, including using cash to gamble, gambling from another account without a block or paying via an e-wallet, such as Paypal or Skrill. From their own experiences, many of our Advisory Board participants talked about using a combination of 'safety nets' to reduce their likelihood of gambling, including self-exclusion schemes, blocking software and transaction blocks – as well as other strategies such as someone else having control of their money.

Early survey evidence from one bank suggests that 15 per cent of its gambling block users as a whole had found a workaround such as using another card to gamble (we don't know if this percentage is higher among those who had previously been heavy gamblers). In addition, nine of 26 block users in our online survey said they had gambled while the block was turned on, either using cash or another account that wasn't blocked for gambling. Indeed, one respondent commented that they "...made the mistake of keeping [their previous] account and simply transferred money over to gamble."

While there is currently no published analysis of bank transaction data to help us understand the extent and nature of such workarounds, forthcoming analysis by the Behavioural Insights Team of bank transaction data to understand patterns of gambling should help address this evidence gap.

Using cash to gamble

Among our Advisory Board participants with experience of gambling problems there was a sense that, even though block users might still use cash to gamble, this was potentially the lesser of two evils:

“Maybe I might have found other means like you said I could go to an ATM and go other places, but it’s still, it’s putting up a barrier, it’s putting up a massive block, like I can’t just sit on my bed and gamble on a laptop, I can’t sit in my room on my phone, I can’t be on my electronic device, I’ve physically got to go somewhere and that is, that’s putting something in place, putting like a barrier to gambling up.” (Advisory Board participant)

Even so, our Advisory Board participants were keen for banks to make it easier for customers to limit cash withdrawals, such as daily or monthly limits on the amount you can withdraw from an ATM. While many banks do offer this service, it is usually up to customers to ask for it.

We therefore see an opportunity for banks to make the connection between gambling blocks and limiting access to cash as complementary ways for customers to reduce or control their spending on gambling.²⁶ There seem to be at least two options for banks to do this. In its simplest form, firms could tell customers who activate a bank card blocker about the option to limit cash withdrawals, and how to put these limits in place. A more sophisticated approach would be for banks to make cash withdrawal limits an option within their gambling blocks, which would have to be built into existing platforms by user-experience designers. Firms could also offer a time-release lock for this feature.

More broadly, there is an argument for monitoring the extent to which ATMs are located close to or within gambling outlets, particularly in the wake of the credit card gambling ban and evidence that ATM withdrawals at gambling venues are associated with higher-risk gambling (Thomas et al, 2014).

As well as giving people the option to block gambling transactions and limit their ATM withdrawals, a ‘third line of defence’ suggested by one financial services firm is the option to block cash transfers from a credit card to a current account or other account where the money could be used to gamble.

The challenge of e-wallets

There are over 170 different ways to pay for online gambling transactions, including via electronic payment wallets, such as Paypal and Skrill (Swanton et al, 2019). This represents a significant challenge to the effectiveness of bank card gambling blockers, as e-wallets could be a relatively straightforward way of circumventing them. In addition, one bank interviewee highlighted the possible risk of some gambling operators operating wallet-like accounts, which may allow, or even encourage, someone to gamble despite having a bank card gambling blocker enabled.

Banks could theoretically extend their gambling blocks to include an option to limit or block transactions to money service businesses (which operate e-wallets). Customers may of course use these services for a wide range of purposes other than gambling, so there is a balance to be struck between helping people limit their gambling and customer convenience.

²⁶ It should be noted that at least some of the credit card providers that offer gambling blocks (Barclaycard and Capital One, for example) already block cash transactions as part of their blocks.

Notably, the Gambling Commission's credit card gambling ban extends to credit cards held within e-wallets. In practice, this means that for a gambling operator to accept any payment from an e-wallet provider, that provider must demonstrate that the money has not come from a credit card – which requires them to construct a 'non-gambling pot' for funds deposited from a credit card or cards and a pot from which gambling is allowed (funded by non-credit card deposits).

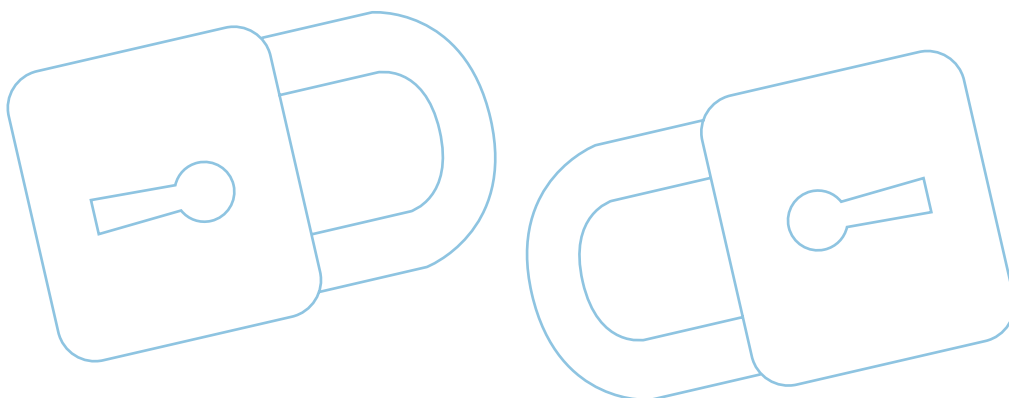
This ready-made split of gambling and non-gambling funds opens the possibility for e-wallet firms to offer their own optional gambling blocks, ideally with a time-released lock. More radically, given how quickly customers can open multiple e-wallet accounts, there may be a case for an industry-wide scheme that allows customers to opt-out of spending on gambling across all e-wallet providers.

The industry trade body - the Electronic Money Association (E-MA) - could help promote such changes among its members; while the industry regulator (the Financial Conduct Authority) has a role to play in ensuring that any vulnerability guidelines for banks apply similarly to the e-money sector.

Other digital challenges

Bank interviewees raised questions about possible 'grey areas' around gambling affiliates and gambling 'comparison sites', which might not necessarily always be categorised under the correct gambling MCC but through which customers may still be able to gamble in some form. This is an area that may benefit from further research or closer examination.

Gambling in gaming, too, is a potential area of concern, especially in-game 'loot boxes' (Zendle and Cairns, 2019). At present, Playstation offers a parental control facility that enables parents to limit their child's spending within games, though this is not limited strictly to the purchase of loot boxes or other gambling-related activities. Anyone with the account password can easily turn off this parental control, so those who wish to limit their own spending would have to surrender the management of their account to a third party. While imperfect, this demonstrates that spending controls can be applied in other contexts beyond financial services.



²⁷ See section 3.77 for the Gambling Commission's understanding of how the ban on gambling on credit cards will affect e-wallet providers: <https://www.gamblingcommission.gov.uk/for-gambling-businesses/Compliance/consultation-responses-2020/Changes-to-licence-conditions-and-codes-of-practice-on-the-use-of-credit-cards-for-gambling.aspx>

Section 8: Give people more control

Section summary:

- Gambling treatment professionals recommend that bank gambling blocks incorporate elements of 'positive friction' to encourage time for thinking and reflection before someone can gamble again.
- The evidence supports the idea that bank gambling blocks should - as a standard feature - function like a lock not a light-switch. Time-released locks that give customers a 'cooling off' period between turning off a gambling block and being able to gamble appear crucial. Firms that do not offer them generally report higher levels of 'togglng', i.e. repeatedly turning the block on and off again.
- Around two-thirds of previous gamblers who use blocks do not gamble after enabling a gambling block with a time-released lock, but as many as a third do.
- Banks might consider offering longer-term or permanent gambling blocks or giving customers a choice about the duration of the lock. Three-out-of-five survey respondents with lived experience thought the cooling-off period should be longer than 48 hours.
- There is also evidence that being required to interact with someone at the bank before being able to gamble again may be effective for some people, and some evidence that personalised messages could also be useful.

What is positive friction and why is it important?

Positive friction essentially means slowing down a process that normally happens much more quickly, with the intention of achieving a positive effect. This often involves giving someone more time to think about or reflect on their actions, which might help them beat their impulses and retain control. For bank card gambling blockers, this might include a combination of several elements:

A cooling-off period – an amount of time that a customer is required to wait before being able to gamble again after deciding to disable the gambling block.

Speaking to someone – before being able to gamble again, a customer might be required to speak (physically or virtually) to someone, most likely at the bank but possibly a 'trusted ally' (for example, a friend, family member or support worker).

Signposting or referrals – arguably a lower-friction option, customers receive a message signposting them to sources of help or support related to their gambling, or the option to be more actively referred to such help.

Feedback messages – a bank could for example present factual information to the customer about how much they have saved while using the gambling block, or present the customer with a message written by their past self.

The point of all of these is to give the customer 'pause for thought', helping them to reflect on whether disabling their gambling block is really the best option for them and those around them.

In a world where so many things, including gambling, are instantly available online, we have lost a lot of the 'natural friction' that used to exist, such as fixed opening hours and the need to travel to access goods, services and entertainment. This issue was often raised by our research participants:

“There was a sort of limit, the gambling industry was pretty much a 9 to 5 thing, so by, you know, you won or lost by 5 o’clock and that was you until the next day, now it’s 24 hour and the guys are coming to us saying, they say well I get paid at midnight, I’m lying in bed, can’t sleep, they could have done their wages by half past midnight without having left their bed.”
(Advisory Board participant)

This can be problematic for people at risk of gambling problems, because where individuals engage in heavy, problematic gambling they are likely to be in a more emotional ‘hot state’ (Ladouceur et al, 2012). During this state, decision-making is more impulsive and behaviour more irrational (Chataway et al, 2018). In such ‘hot states’, positive friction is important because it gives the individual time to recover, creating an ‘emotionally safe’ environment for them (Bowden-Jones, 2018).

How often do block users turn off their blocks, and then gamble?

A key measure of success of bank card gambling blockers is whether someone continues to gamble (at the same or a similar level) after using a block. In Section 3, we considered how often users can gamble despite the block being turned on and how often they continue to gamble via workarounds, such as cash or electronic wallets. Here, we look at available data on how often block users turn off their block and, of those that do, how many proceed to gamble.

Data from one firm that offers a gambling block with a time-released lock shows that 93 per cent of customers who turned it on kept it on. In contrast, another bank (also with a lock) reported that as many as 30 per cent of users had subsequently turned it off. One possible reason for this difference is that the firms have offered bank card gambling blockers for different lengths of time, and you might expect to see a higher rate of ‘turn offs’ shortly after such a feature is launched due to customers experimenting with the tool. One bank interviewee sensed that immediately post-launch the block was being tested out by ‘techy people’ who enjoy trying new features, whereas later users may have been more representative of their overall customer base.

Two firms with gambling blocks that did not feature a time-released lock at the time of interview noted that they were seeing instances of people turning it on and off repeatedly. One went on to report that – with the caveat that volumes were fairly small – they were seeing higher rates of ‘toggling’ behaviour among those customers who had gambled the most prior to the first time they enabled the block. This appears to highlight the importance of the time-released lock.

Gambling after disabling the block

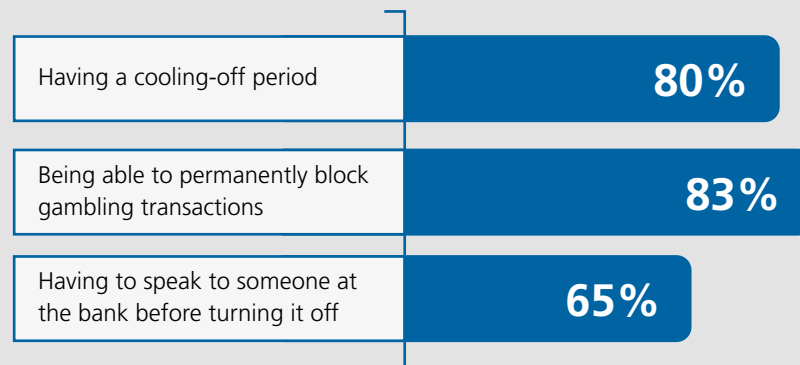
Data from one firm showed that – despite having a time-released lock – a few months after launching the block, a third (33 per cent) of block users who had gambled in the six months prior to using the block had disabled the block and returned to gambling (it is unclear how many did the former, but not the latter). This suggests that, even with positive friction in place, a significant proportion of block users may eventually return to gambling. Conversely, the block might be considered effective, in the first few months at least, for as many as two-thirds of users with a prior history of gambling.

Online survey respondents who had used gambling blocks were asked how much money they had spent on gambling since first turning on the block on their bank card. Over half (14 of 26 respondents, or 54 per cent) said they had spent no money on gambling, while 15 per cent (4 respondents) had spent less and 27 per cent (7 respondents) had spent the same amount or more than before.²⁸ Given the small sample size, caution should be used when interpreting this; however, it does support the above finding from analysis of bank data, suggesting that blocks ‘work’ for many – but not all.

²⁸Base for this question is all those who had used gambling blocks (N=26).

Figure 8.1

Percentage of survey respondents who rated the following gambling block features as important for the ideal gambling block (rated 7 or more on a 10-point scale of importance)



Overall base is 88 respondents. Looking specifically at the 22 respondents who had used gambling blocks, we find that for all three items, 20 of 22 respondents rated them as 7 or higher.

Cooling-off periods

In our expert dialogues, treatment professionals who work with people experiencing gambling problems stressed the importance of positive friction in the form of a 'cooling off period' or 'thinking time' between a customer asking to switch off a bank card gambling blocker and being able to gamble again on their bank card. Several banks we interviewed had sought input from treatment and support professionals around building this feature into their bank card gambling blockers – and in some cases fought hard for it within their organisation. Others that didn't offer a time-released lock when they launched their block hoped to in the future.

As shown in Figure 8.1, four-fifths of our online survey respondents (including almost all of the 22 people who had actually used a bank gambling block), considered a 'cooling-off period' to be an important design feature of an ideal gambling block. Gambling block users were also asked to rate the effectiveness of each one they had used out of ten in terms of controlling their gambling. Overall, two-thirds (17 of 26 responses) rated them at seven or above, with blocks without cooling-off periods appearing to score lower (though very few respondents had actually used such blocks).²⁹ Respondents were asked to explain why they had given the score they had:

"I could easily turn it back off again. It was awful" (No cooling-off period, rated 0/10)

"Very easy to turn off and on again" (No cooling-off period, rated 2/10)

"If they did unblock it then I have to wait 48 hours before I can gamble which is great because the guilt sets in and I would block it again and so on and so on. It would be a continuous thing then" (Block with a cooling-off period, rated 10/10)

²⁹ Among our respondents, only four had used bank card gambling blockers without a cooling-off period

Similar thoughts on the importance of a cooling-off period were echoed in our Advisory Boards:

“Can you easily turn it back on though on your bank, because if you can deactivate it like if you can ask them to stop are you able to just ask them to take the block off?... Because that’s a bit pointless to me” (Advisory Board participant)

“I think the harder it is, you know, I think, and I come from a time where I’ll think oh I can have a bet and then go to turn it on and have to wait 48 hours, I won’t have that bet.” (Advisory Board participant)

Longer cooling-off period or permanent blocks?

While there seems to be a general consensus that 48 hours is a good starting point for a ‘cooling off period’, there was an ongoing debate about whether this was the ‘right’ length of time. Bank interviewees acknowledged that it was possible to vary the length of the cooling-off period (not necessarily easily in-app at present, but certainly ‘behind the scenes’).

As we saw earlier, one firm with a 48-hour block reported that as many as a third of the gamblers who used it had turned it off and then proceeded to gamble – possibly suggesting that 48 hours is not sufficient for everyone. Data from our online survey and Advisory Boards also raises this question:

“It definitely was a useful tool. I unfortunately made a regretful decision to turn it off and proceeded to gamble. Possibly the cool down time could possible (sic) be increased, after requesting to take a ban off an account. But to be honest I don’t think it would help in my case.” (Survey respondent who had used a block with 48-hour cooling-off period)

“I was able to switch it off myself and gamble after 24 hours” (Survey respondent who had used a block with 24-hour cooling-off period)

“I’ll know in my heart of hearts that in 48 hours and 1 minute I’ll be able to have that bet. So you know, I’m yes, I agree if it was harder to reactivate then I probably wouldn’t do it.” (Advisory Board participant)

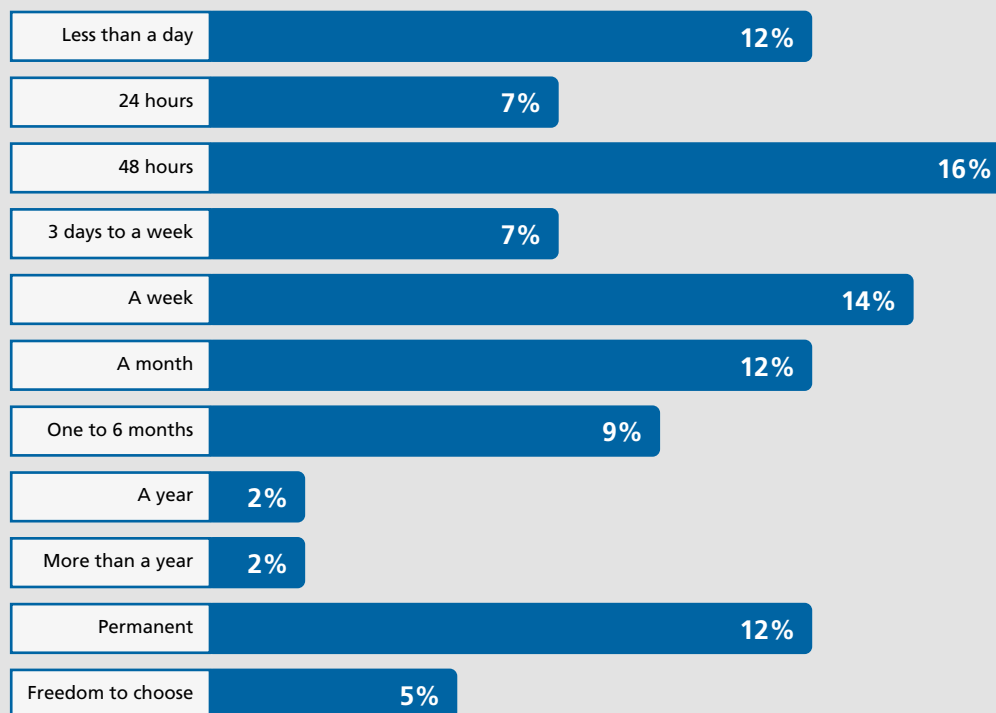
Survey respondents who thought that a cooling-off period was an important part of a gambling block were asked how long they ideally thought this should be. Figure 8.2 shows their range of answers. While 48 hours was the single most common response, 58 per cent of respondents suggested it should be longer than 48 hours. A few respondents also spontaneously said they thought the cooling-off period should be customisable by the customer. This and the generally wide range of responses received, suggests that there may be support for giving customers greater freedom to choose.

Permanent blocks also received a reasonable amount of support, with 12 per cent giving this answer. The option to include a permanent block, meanwhile, was viewed as important by 83 per cent of all respondents and most current block users. This suggests widespread support for giving customers the option to block transactions permanently, while recognising that it might only be used by a relatively small (but not insignificant) number of people.

From the bank-side, staff were interested in the possibility of offering permanent bank card gambling blockers, but needed to investigate the technical ramifications of this – for example, how closing and re-opening a bank account might affect the use of such a block.

Figure 8.2

How long the 'cooling-off period' should be, according to those with lived experience in our survey.



Base for this question is 43 respondents. Having said that a cooling-off period is an important feature of the gambling block, they were then asked a free-text question about how long it should be. Responses have been coded & grouped.

Customer interaction

Positive friction can also mean that customers need to speak to a member of bank staff – either via telephone, in-branch or webchat – before they can turn off a gambling block. At least one bank already builds this customer interaction into its gambling block service. Customer interaction might involve asking customers about changes in their circumstances, reflecting on past interactions, their access to other sources of support related to gambling – with it being technically possible to vary the depth of conversation depending on the availability of transactional or other data that might suggest a history of gambling problems.

Operational constraints were cited by some bank interviewees as a reason for not incorporating customer interaction into their gambling blocks – for example, personal engagement was not considered feasible at large-scale; or it was not possible to train staff to handle such conversations. For others, the focus had been on implementing a cooling-off period, which they felt was the most important element of positive friction.

Figure 8.1 shows that while 65 per cent of all our online survey respondents said that needing to speak to someone at the bank before turning off the block was important, this rises to nearly all of the 22 respondents who used blocks. Survey responses and Advisory Board discussions suggest that for some the embarrassment of having to talk to the bank could be an effective measure against them turning off the block:

“The bank should block it and the only way of unblocking should be through asking them (which I would probably never do as it is embarrassing) also leave longer than 24 so you have time out.” (Survey respondent)

Others meanwhile suggested that they would be willing to say practically anything so they could gamble again:

“... think back to when you was gambling and you got an automated phone call, would it have kicked you out of it? I’m just thinking push in the numbers, get rid of them as quick as I can, I can get back to gambling.” (Advisory Board participant)

Targeted support for ‘togglers’

As mentioned previously, gambling blocks without any cooling-off period tend to see higher levels of ‘togglings’, where block users turn it on and off again, often repeatedly. In other words, these blocks are effectively a light switch not a lock. Bank interviewees saw these customers as a potentially vulnerable group who may benefit from proactive, practical and non-judgemental offers of help from the bank, such as signposting or referrals to gambling-related support services – always mindful of the customer’s freedom to choose whether to engage or not. Targeting support in this way should mean that the bank can offer more in-depth support to customers who need it most.

Personalised messages

There is some evidence to suggest that emotional messages that are personally relevant can help leverage the gambler’s impulsiveness trait (Harris et al, 2016).³⁰

The idea of getting a personalised message from your past self at the point of disabling a gambling block was an option that we raised for discussion at our Advisory Boards and with banks. For example, someone could write a message when they first set-up a bank card gambling blocker, which reappears if they try to disable the block. For some participants, this seemed a good option and they felt they would be able to say things to themselves that the bank probably wouldn’t – which may make it a more effective tool for stopping:

“Have your kids been fed this week? Something just what’s gonna hit home, like have you paid your bills? Just anything that’s gonna make you just feel a bit guilty and be like oh god. Because I mean back in the day when I was like in my teens there was times there I had no gas and electric for a week and I’d have to sit in the cold.” (Advisory Board participant)

While this might be a potentially attractive option for some people, personalised messages would have to be tested both in terms of their practical implementation by banks and their effectiveness.

³⁰New research in this area is currently underway, with the Behavioural Insights Team running a trial of ‘personal commitment devices’ with one online gambling operator. The trial involves measuring the potential impact of individuals setting customised personal messages which will be displayed when the player attempts to increase their deposit limit. It is anticipated that findings from the research will be published in Autumn 2020.

Section 9: What else can be done?

Section summary:

- While our research shows widespread support for bank gambling blocks, people with lived experience of gambling problems want to see financial firms take wider action if they are serious about helping tackle gambling harms.
- There were varying levels of support for a range of further measures, including additional spend controls; improved staff training on gambling; new spend categorisation tools; the ability to lock 'pots' of money to protect them from gambling spend; ATM withdrawal limits; the ability to opt-out of further access to credit; third party alerts related to gambling spend; and proactive identification/intervention based on customer transaction data.
- From their personal experience of gambling harm funded by borrowing, some Advisory Board participants felt particularly strongly that firms should offer people effective ways to limit their access to credit – which a Notice of Correction on a credit file could achieve but at present requires someone to repeat the process with each credit reference agency.
- Action by the financial services industry is only one piece of the jigsaw, however. To deliver a step-change in the reduction of harm from gambling means altering the current environment in ways that require cross-sector effort across regulatory and other interventions.

What more can financial firms do to reduce gambling harms?

While this report has focused on bank card gambling blockers and how to 'design in' effectiveness across the user journey, the message from our Advisory Boards was loud and clear: if banks want to reduce gambling harms there is much more they can do – individually and as an industry – that extends beyond specific products (such as cards) or particular parts of the business (such as vulnerability teams). Lending operations, customer service, product design and a whole variety of back-office functions need to work together in ways that support and reinforce rather than contradict or undermine. Our bank interviewees also recognised the value of a 'whole business' approach when dealing with issues like consumer vulnerability:

"One thing we were very, very keen to stress is that actually vulnerable customers is not a separate segment... they sit across all part of our customer base, all age groups, all demographics." (Bank staff)

Both bank interviewees and people affected by gambling commented on the need for all staff, both frontline and back-end, to have at least a basic understanding of conditions like gambling addiction and how it affects individuals and those around them, so that such issues could be considered throughout the entire business, from designing new products and features to frontline customer service. At the same time, participants were at pains to point out the limits to what bank staff could and should do before directing customers to specialist help.

"... that line between being depressed, being a compulsive gambler and being suicidal is this thin... and if a bank starts delving and starts saying the wrong thing and then they go 'I'll end my life', what's the bank gonna do? That's where my problem is... that would be my scare point, that would be my scare point for all this." (Advisory Board participant)

This section therefore looks beyond gambling blocks at ideas and suggestions for banks to reduce harm from gambling – and what some are already doing, but not others – from the data we collected.

Other spend controls

As discussed in Section 6, there was appetite for firms to extend the range of options that customers have when turning on blocks. This included being able to set financial limits on spending rather than blocking it altogether and being able to limit gambling transactions to certain times of the day. Such tools also have relevance to a range of other situations, including helping someone to stick to their budget generally or helping those with mental health problems control their spending (see, for example, Acton, 2017).

Staff training

It is important that banks train their staff about issues such as gambling addiction and gambling harm, spanning those on the frontline who deal with customers and those in the back-office who design and build the products and services that the firm offers. Our online survey respondents reported very mixed experiences of talking to their bank about their gambling problems. As shown in Figure 9.1, as many as three-quarters of our survey respondents (76 per cent) said they would be likely to talk to someone at their bank who specialised in gambling, if this was offered by their bank.

Spend categorisation

People who do not recognise or acknowledge they have a gambling problem are very unlikely to voluntarily use self-exclusion tools like bank card gambling blockers. An alternative might be to provide them with information about the extent of their gambling spend, as part of a breakdown of their overall spending. While bank statements can be helpful in this regard, digitised spending breakdowns in modern banking apps which total the amount spent at particular merchants or on particular categories of spending may allow customers to make a better assessment of how much they spent – particularly if this subtracts losses from winnings.

Our Advisory Board participants had mixed views about this type of ‘spending insight’ – from thinking it would ‘frighten’ them to ‘see that figure every week’ to feeling unsure how much notice determined gamblers would take of it or being concerned that it would spur people to try and win back the money they had lost. The overall conclusion was that it might be a useful tool for people who had not yet ‘crossed the invisible line’ into serious gambling harms. In our online survey (Figure 9.1), as many as 80 per cent of respondents said they would be likely to use an option to receive a regular reminder of how much they’ve spent on gambling.

Most bank apps do not currently categorise spending on gambling as a separate expenditure, rather it falls within other categories of spending such as ‘entertainment’. Starling Bank, however, recently announced that it was making this feature available (Starling Bank, 2020).

Locked ‘pots’

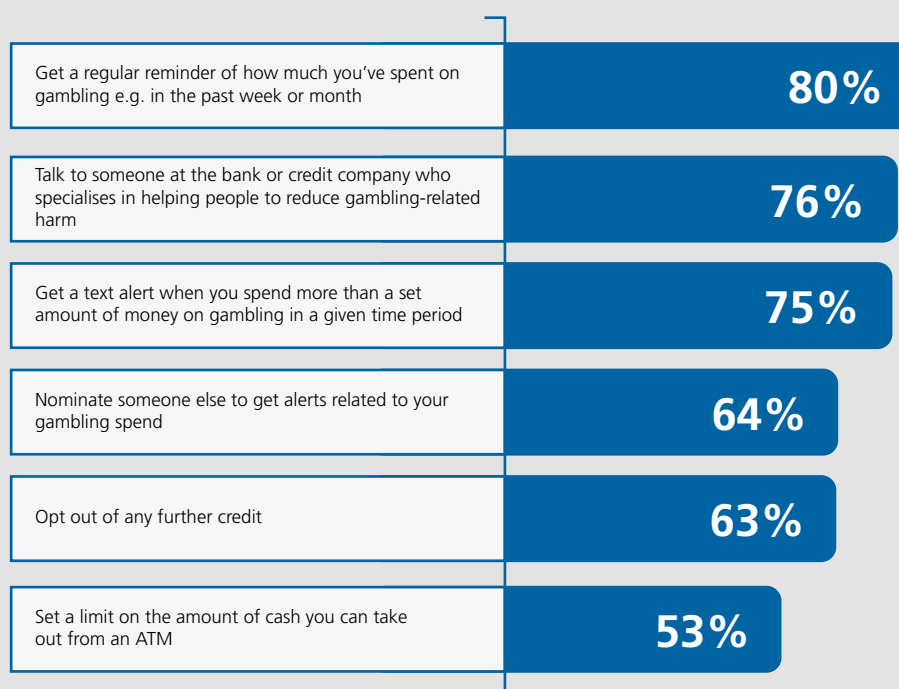
Some bank apps give customers the option to lock ‘pots’ of money within a bank account so they can only spend the money on certain things, such as groceries, bills, rent. Some Advisory Board participants suggested this feature might prevent people with gambling problems from spending more than they can afford, thereby reducing harm from gambling to some extent.

ATM withdrawal limits

As we discussed in Section 7, one possible extension to bank card gambling blockers is letting customers choose to limit or prevent cash withdrawals, which would reduce the chances of circumventing the block by gambling in cash instead. While our Advisory Boards generally felt that spending on cash was somewhat more controllable than digital spending anyway (partly because limits already exist on how much you can withdraw), most felt this was a sensible option. Over half of our online survey respondents said they would use this.

Figure 9.1

Percentage of survey respondents who would be 'very' or 'quite likely' to use each of the following services if offered by their bank or lender



Overall base is 88 respondents. When looking specifically at the 22 respondents who had used gambling blocks, we obtain the following results: ATM limits (15/22); opt out of credit (15/22); third party alerts (17/22); text alerts (17/22); talk to someone at bank (18/22); regular reminder (19/22).

Role of third parties

Two-thirds of all online survey respondents (including most current block users) said they would be interested in being able to nominate a third party (such as a family member, friend or support worker) to receive alerts related to their gambling spend. This idea has been tested with people who have mental health problems who can set a 'trusted ally' to receive an SMS alert if, for example, they spend more than a set amount on any given day.³¹ Banking apps, such as Monzo, were already being used by at least one Advisory Board participant to a similar effect, with the gambler carrying the bank card but a family member having control of their banking app and receiving alerts whenever a transaction was made. Such uses may be open to financial abuse though, so more formal options to do this would be welcome.

³¹ See <https://usetouco.com/research>

Opting out of consumer credit

The Gambling Commission's ban on credit card gambling will limit individuals' ability to gamble with money that is not their own. However, there remains a risk that people borrow to fund their gambling. As such, some people may wish to 'opt-out' of the ability to access credit in certain or all situations. This could be achieved by adding a Notice of Correction to their credit file – something we have been discussing with Credit Reference Agencies.³² One of the challenges is to ensure that lenders access this information prior to making a lending decision, while another is enabling a NOC with one CRA to automatically be copied across to other CRAs.

There was some evidence in favour of this option in our online survey, with nearly two-thirds (63 per cent) of respondents saying they would be likely to use such an option if offered to them. Box 9.2, meanwhile, highlights the strength of feeling among some Advisory Board participants about how easy it had been for them to access credit and gamble it away.

Box 9.2

Borrowing to gamble: the views of Advisory Board participants with gambling problems

"I rarely got my wages paid into my bank account or anything like this, I've gone into the bank and they've gone, no your credit rating is quality, here's £1,000 overdraft, oh do you need a credit card, here's a credit card. What, why does an 18 year old boy at the time need £1,000 overdraft and a £1,000 credit card, I don't get the mentality of it... Like I can understand you're trying to say about they're trying to prevent people from getting the problem, but then surely they've got to look at things like that in general."

"There's overdrafts and oh credit card, £500, well I'll be responsible and then a day later it's gone, not necessarily on gambling, it's just gone. They've given you the means to spend money you never had."

"We've actually ruined like, ruined our lives as such because, if I couldn't get a loan, if I couldn't do, steal my parents credit card and stuff like that, I wouldn't be in this amount of debt, I'd just be losing my weeks wages every week or who I borrowed money off."

Proactive identification and intervention

As we saw in Section 5, a common theme from our Advisory Board discussions was the fact that banks should be able to 'spot' customers at risk of gambling problems from their transaction data and could therefore intervene - potentially before significant harm is done. This could take the form of targeted advertisement of gambling blocks or other forms of support, which are arguably less intrusive, or could involve stronger action, such as declining large transactions. The latter is clearly a more risky, interventionist move for banks to make; however, there was support for such action from those in our Advisory Boards who had experienced serious gambling harms – especially if a Government or regulator-backed rule was enforced, which said, for example, that an individual cannot spend more than half of their income on gambling. Such interventions, however, need to be focused on minimising financial harm, rather than moralising or stigmatising the issue of gambling.

³²In recent positive moves, Experian and Equifax have published guidance on their websites for people who may want to add a NOC to their credit file as a safeguard against borrowing to gamble: <https://www.experian.co.uk/consumer/help-discover/discover/guides/gamblingcredit-protection.html> and <https://www.equifax.co.uk/gamblingandfinances>

Beyond banks

While banks and financial services can help minimise and reduce harm from gambling, our Advisory Board participants wanted the gambling industry, the regulators and the Government to do more to protect consumers. Their main concerns are shown in Figure 9.3 below:

Figure 9.3

Our Advisory Board participants had a range of concerns about the wider gambling industry:

<p>Expansion of the gambling industry in recent years</p> <p>“It’s a multi, multi billion pound industry that is now taking over our society and it’s dictated, you look at the advertisements on television from 10 o’clock in the morning it’s constant adverts about [gambling].”</p>	<p>The 24/7 nature of modern gambling</p> <p>“When I was younger there was that, it was that much harder, you know, at 2 o’clock in the morning if you were winning you couldn’t stay and do it back because you had to go, but you know, it’s 24 hours now and there’s no, there’s no waits, well this is to do with the gambling industry really.”</p>
<p>Poor understanding & stigma around disordered gambling</p> <p>“It’s getting the knowledge out there, it’s like you look at mental health, depression all this stuff now, adverts everywhere, it’s an illness, gambling’s an illness, compulsive gamblers we’ve got an illness but there’s nothing out there to say what we go through.”</p>	<p>Concerns about the effect of gambling on children</p> <p>“One of the [local authority financial inclusion] practitioners went into a junior school in [the local town] and she was just asking about ‘where does money come from?’ and one little lad put his hand up and said ‘Bingo’. She said ‘well what do you mean by Bingo?’, he said ‘well when my mum wins at Bingo we all get some money’.”</p>

Single customer view

The fact that no organisation – banks or gambling operators – has a full view of all an individual’s spending on gambling is a significant challenge for both intervention and research. In 2020, the Gambling Commission launched an initiative looking at possibilities to produce a ‘single customer view’.³³ Research participants were supportive of this idea, highlighting that deposit limits with individual gambling operators are often ineffective for people who experience serious gambling problems and suggesting that more could be done to ensure that operators speak to one another.

The financial services industry should engage with this issue as well, for example to share lessons from similar initiatives involving large data flows, such as Open Banking. A more radical suggestion is the creation of a single entity through which all gambling deposits are made, thus limiting the ability of those who self-exclude to find workarounds and enabling more proactive interventions to be made in cases where individuals are at-risk of significant financial harm.

³³ For information on the Gambling Commission’s initiative on a single customer view, please see: <https://www.gamblingcommission.gov.uk/news-action-and-statistics/news/2020/Gambling-Commission-kick-starts-digital-challenge-to-make-gambling-safer.aspx>

Bank gambling blocks: a blueprint for change

Actions for the financial services industry (and beyond) to take to ensure that gambling blocks most effectively help reduce harm from gambling:

Firms and regulators need to work with 'experts by experience' to design products, services and interventions for people who are negatively affected by gambling.

UK Finance needs to build our recommendations into their member guidance and policy on supporting vulnerable consumers. Consistency across the industry is crucial.

The Financial Conduct Authority should recommend that every new debit and credit card is designed with consumer spending controls as standard, including gambling blocks.

A cross-sector consumer awareness campaign that places bank card blockers alongside other forms of self-exclusion and player control is needed.

Organisations that provide clinical, social and peer support to people affected by gambling problems also need to raise awareness of bank gambling blocks as a potentially helpful tool for stopping gambling (if they are not already).

The electronic money sector needs to develop gambling blocks, which sit alongside existing technical adjustments made in relation to the Gambling Commission's credit card ban.

Credit Reference Agencies (CRAs) need to work together to offer a 'one-stop shop' for customers to add a Notice of Correction to their credit file across all three major UK CRAs.

The UK Government needs to create the legal and regulatory conditions to encourage the financial services sector to innovate and develop a range of consumer spending controls.

How can banks better use gambling blocks to reduce gambling harms?

1. Make gambling blocks a **standard feature** across their full card range.
2. Ensure gambling blocks continued to be offered on **credit cards**.
3. Ensure **every customer knows** that gambling blocks are available for them to use if they want.
4. Signpost to **other methods of self-exclusion**, where relevant.
5. Ensure all gambling blocks are built with a **time-released lock**.
6. **Deal swiftly** with gambling merchants using incorrect merchant category codes by giving customers a simple way to report such issues and having a mechanism to report them to the Gambling Commission.
7. Make it easier for customers to **limit cash withdrawals** and signpost gambling blocks users towards this option.

Beyond blocks...

Gambling transaction blocks are not 'job done' for banks – there is much more to do. Our participants would like to see a more consistent approach across the entire bank for a start.

Beyond banks...

And, lastly, it is important to remember that the focus here on banks does not take away from the fact that a range of other organisations still need to be taking action to reduce gambling harms.

CONCLUSION

This report sets out the current situation in the UK regarding bank card gambling blockers and assesses the available evidence about their use and effectiveness. It draws on insights from six months research that included over 100 interviews/surveys with people with lived experience of gambling; analysis of data from banks on their customers use of gambling blockers; and discussions with treatment providers, financial service firms, and regulatory bodies.

Building on the evidence set out in this report, we believe there are five ways that UK financial services can increase the effectiveness of bank card gambling blockers:

1. Blocker technology should be available to all card users: blockers are working but millions of UK customers still do not have access to them.
2. Every firm should routinely, strategically, and sensitively raise awareness about blockers: a low level of awareness about bank card blockers exists among a range of customers.
3. Every blocker should be built around a time-released lock: over a third of UK bank card gambling blockers can (unhelpfully) be toggled on and off by customers at will, meaning they work like a light switch not a lock.
4. Every blocker should include the option to limit or block cash withdrawals.
5. Every e-wallet provider and Credit Reference Agency needs their own blocker.

Maximising the effectiveness of bank card gambling blockers for people who want to control their gambling is not just about banks – it requires a broad-based ‘coalition of the willing’. We believe that:

- Firms and regulators need to work with ‘experts by experience’ to design products, services and interventions for people who are negatively affected by gambling in a range of ways.
- UK Finance – the collective voice for the banking and finance industry – needs to build our five proposals into their member guidance and policy on supporting vulnerable consumers.
- the Financial Conduct Authority – the UK financial regulatory body – should recommend in its guidance on vulnerable customers that gambling blocks are standard on debit and credit cards.
- a cross-sector consumer awareness campaign that places bank card blockers alongside other forms of self-exclusion and player control is needed.
- the UK Government needs to create the legal and regulatory conditions to encourage the financial services sector to innovate and develop a range of consumer spending controls.

Action in the financial services sphere is, of course, only one piece of the jigsaw. Meaningful reduction in gambling harms will require significant cross-sector efforts and regulatory intervention. For many of our participants, such changes cannot come soon enough.

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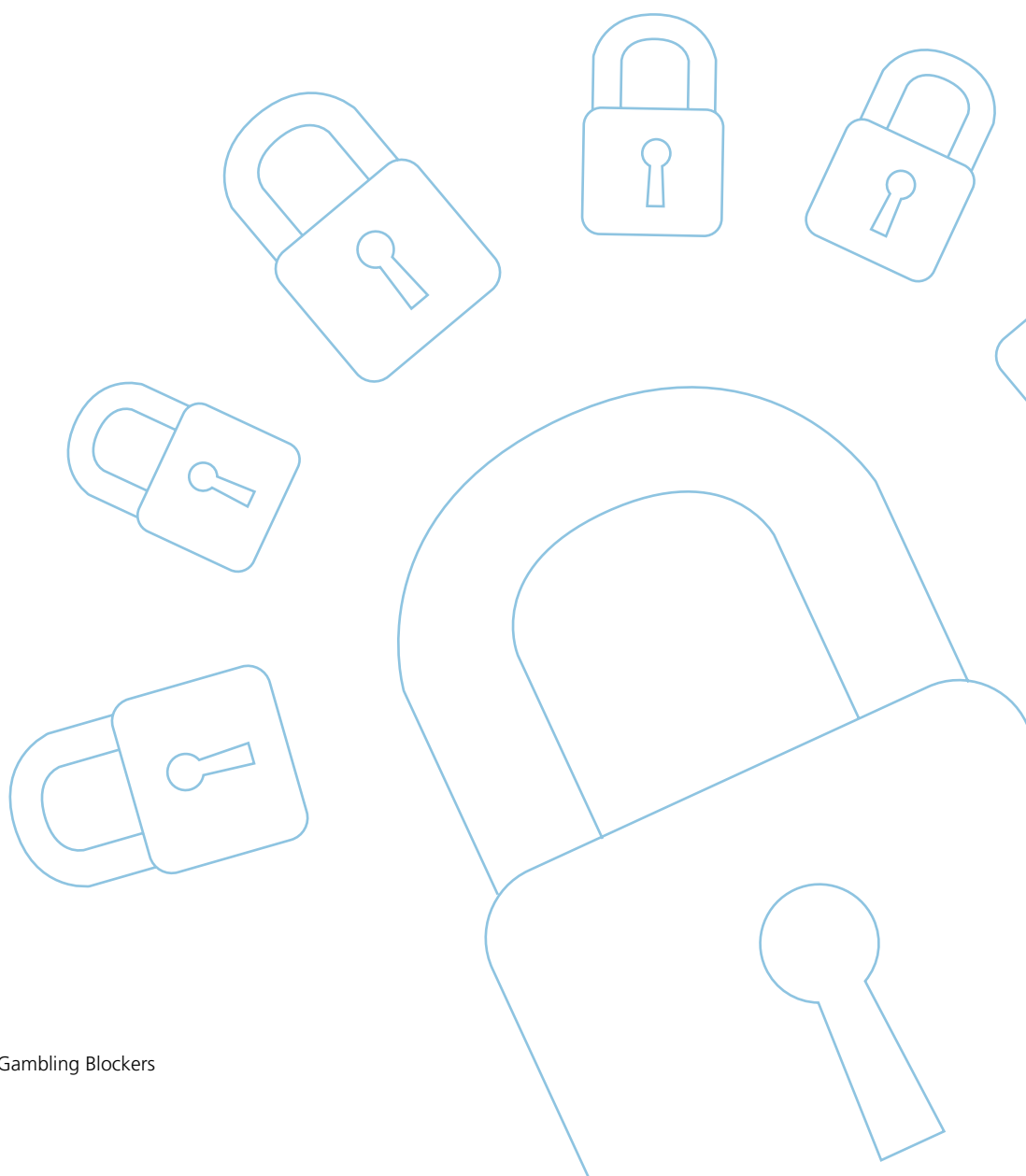
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Appendix

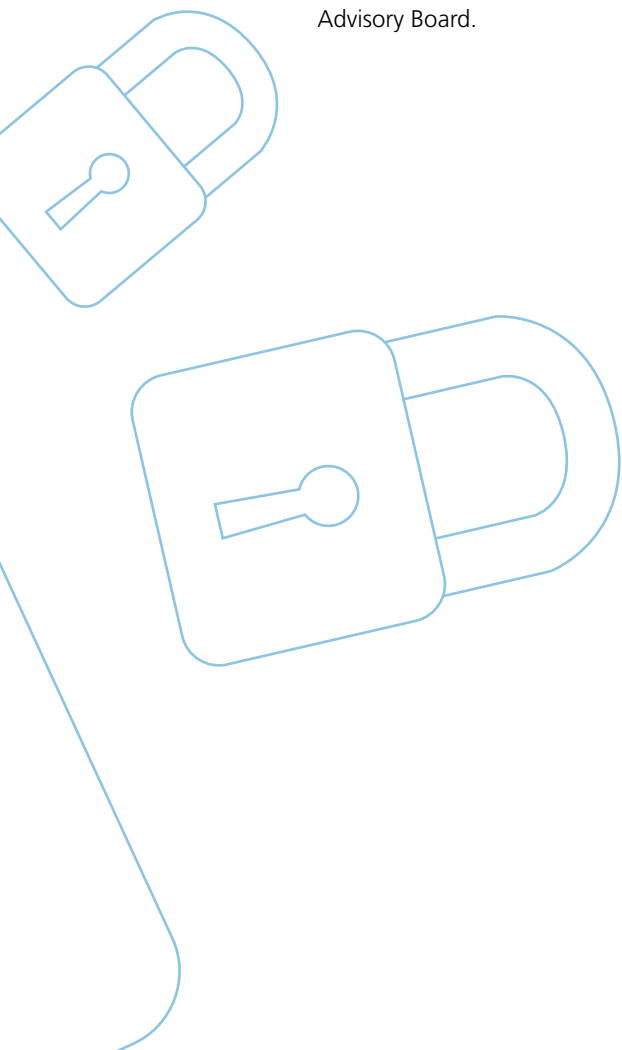
1. Qualitative sample

We conducted five Advisory Boards between December 2019 and February 2020. Their purpose was to qualitatively explore people's views and experiences of gambling and gambling harms and think about how gambling transaction blocks and other self-exclusion tools could help reduce harm, and who their target audiences might be. The Advisory Boards were loosely structured and lightly moderated so that participants were free to air concerns, issues and views that were important to them. This resulted in rich, wide-ranging discussions that lasted between two and three hours. The Advisory Boards were recorded (with participants' permission) and fully transcribed. Participants received a monetary 'thank you' for giving up their time to share their views and experiences.

In total, 35 people took part in the Advisory Boards. In convening the Advisory Boards, we aimed to get a mix of views and experiences in terms of experience of gambling problems:

- **Advisory Boards 1 and 2** were convened with men who had completed a residential treatment programme for disordered gambling (including one or two who now worked for the treatment provider). They included men of different ages and from a range of backgrounds. Recruitment to these groups was conducted by the treatment provider.
- **Advisory Board 3** was convened with members of the Gambling Harms North West Alliance which advocates for those experiencing gambling harms in the North West of England. Participants included people who had experienced problems with gambling and others who had been personally affected by gambling (e.g. partners or ex-partners). They included a mix of men and women of a range of ages. Recruitment to this group was conducted by the Alliance.
- **Advisory Boards 4 and 5** were convened with people who gambled, some of whom had experienced gambling harms and others who had not. Both groups comprised a mix of men and women of a range of ages. They were recruited by a market research agency using a recruitment screener designed by the research team (see below).

In each of the Advisory Boards, there were participants who had used bank card gambling blocks; those who knew about them but not used one; and those who were not aware of them prior to the Advisory Board.



Recruitment Screener for Advisory Boards 4 and 5

Respondent Details:

First name
Surname
Address (incl postcode)
Mobile number
Email address

INTERVIEWER DECLARATION:

I hereby declare that this questionnaire has been completed within the MRS Code of Conduct and in accordance with their guidelines and with the instructions supplied to me. I have carefully checked the questionnaire and am aware that it is subject to quality control procedures.

INTERVIEWER ID

Interviewer's Name: _____

Signature: _____ Date of Interview: _____

INTRODUCTION

Good morning/afternoon. My name is from an independent market research agency called DFR. We are working on behalf of researchers at the University of Bristol who are carrying out research about gambling and the help available from banks if people want to control their spending on gambling. The research is funded by GambleAware, which is an independent charity that funds research, prevention and treatment services to help to reduce gambling harms.

It would involve you taking part in a group discussion with an academic from the University of Bristol. The session would last around two hours and as a 'thank you' for taking part we would like to offer you £50 on the day.

We do hope you will be interested in being part of this research and we are sure you will find it an interesting and enjoyable experience. Market research such as this is not associated with selling, we are interested only in your views and opinions, and everything you say will remain confidential; let me reassure you that no names will be passed on to any third parties.

Q1 Would you like to participate?

Yes CONTINUE
 No CLOSE

Q2 Have you ever taken part in market research like this before? If so, when was the last time you took part?

CODE ONE ONLY

Never 1 Go to Q4
 Within the last 6 months 2 CLOSE
 Over 6 months ago 1 Go to Q3

Q3 When exactly did you participate in this research and what subjects were discussed?

PROBE FOR ANSWER. CLOSE IF RESPONDENT HAS TAKEN PART IN RESEARCH ON A SIMILAR SUBJECT

Subject: _____ Date: _____

Q4 Do you, or does anyone in your family, work in any of the following areas or organisations or have done so in the past?

READ OUT. CODE ALL THAT APPLY

- Advertising 1 CLOSE
- Journalism 2 CLOSE
- Marketing/PR..... 3 CLOSE
- Market Research..... 4 CLOSE
- Betting Shop, casino or arcade..... 5 CLOSE
- Online gambling platforms 6 CLOSE
- None of the above..... 7 CONTINUE

Q5 Could you please tell me your age?

Exact age

- Under 18 1 CLOSE
- 18-30 2 CONTINUE
- 31-40 3 CONTINUE
- 41-50 4 CONTINUE
- 51-65 5 CONTINUE
- Over 65 6 CLOSE

Aim for a mix of ages across the depths

Q6 Please code gender of respondent. Single code

- Male..... 1 CONTINUE
- Female..... 2 CONTINUE

At least 2 of each gender

Q7 Do you engage in any form of gambling?

- Yes 1 CONTINUE
- No 2 CLOSE

Q8 What types of gambling do you tend to do and how often?

	Everyday or most days	At least once a week	At least once a month	Less often, from time to time	Have done in the past but not recently	Never do this
Online sports betting						
Online casinos, bingo, slots						
In casinos						
In betting shops						
In bingo halls						
In arcades e.g. slot machines						
National Lottery or other lotteries						
Scratchcards						
Other (specify)						

All to engage in some form of gambling at least once a week

- **If only gamble on National Lottery/lotteries and/or scratchcards – CLOSE**
- **Aim to include a wide range of different types of gambling**

- Q9 Are you aware that some banks offer customers the ability to block gambling transactions on their debit card?**
- Yes 1 CONTINUE
 No 2 THANK AND CLOSE
 Not sure 3 THANK AND CLOSE
- Q10 Have you ever used a gambling block on your debit card or considered using one?**
- I've used one 1 CONTINUE
 I've considered using one 2 CONTINUE
 No, I've not used or considered using one 3 CONTINUE
 Not sure 4 THANK AND CLOSE

RECRUIT A MIX OF EXPERIENCE/OPINIONS

- Q11 Which of these statements about gambling do you agree with? (can multicode)**
- Gambling is just fun, I don't see it as a problem 1 CONTINUE
 I do it because I'm bored, winning is a bonus..... 2 CONTINUE
 I probably spend too much money on gambling but I continue to do it anyway 3 CONTINUE
 I love it, it gives me a buzz 4 CONTINUE
 I feel my gambling could become a problem 5 CONTINUE
 I feel addicted to it and want to stop 6 CONTINUE
 I have got into debt because of gambling 7 CONTINUE
 I think it's too easy to gamble online 8 CONTINUE
 I do it because it's the only way I can possibly get the money I need..... 9 CONTINUE
 I have arguments with my partner/family because of my gambling..... 10 CONTINUE

RECRUIT A MIX OF OPINIONS

Q12 Have you ever received any professional help or support to stop or reduce the amount that you gamble?

Yes	1	CONTINUE
No	2	CONTINUE

Recruit a mix of experiences

RECRUIT RESPONDENT

Make sure the front page details are completed
Make every effort to obtain a mobile phone number, for ease of contact closer to the time of the session.

2. Survey of people with lived experience of gambling problems

We ran an online survey of 88 people with lived experience of gambling problems, which focused on their awareness and use of gambling blocks, as well as the types of features that they would like to see banks offer to help reduce gambling-related harm.

The survey was open between 23rd December 2019 and 9th March 2020, and participants were recruited via a range of channels – primarily gambling treatment providers. These included e-newsletters and adverts put up by: GamCare, Preston GHNWA, the Gordon Moody Association, NHS problem gambling clinics and the Beacon Counselling Trust. At a later stage, the survey was also advertised via social media, on the project website and through the newsletter of the Money and Mental Health Policy Institute. The vast majority of responses, however, were obtained before this, meaning that most of the sample represents those engaged with gambling treatment providers.

Adverts for the survey focused generally on the role of financial services firms (banks and credit card providers) in reducing gambling harms, rather than mentioning gambling blocks directly. This was deemed important in relation to questions about participants' awareness of gambling blocks, as we did not want the survey to only appeal to those who had already heard of gambling blocks.

The next tables summarise the results of the survey.

Table 1 – Sample characteristics

Variable	Response	Frequency	%
When you've gambled, has this tended to be.....?	Both online and in person	20	23%
	In person at a venue such as casino, bookmakers, bingo hall, arcade	9	10%
	Online	54	63%
	Don't know	3	3%
	Other	2	2%
	What are the main ways that you have tended to spend money on gambling?	Cash	30
Debit Card		65	74%
Credit Card		30	34%
Don't know		5	6%
Other		2	2%
Employment status	Working full-time	54	61%
	Working part-time	10	11%
	Self-employment	7	8%
	Looking after family/home	2	2%
	Job-seeking or unable to work due to sickness or disability	7	8%
	Retired	4	5%
	Prefer not to say	4	5%
Gender	Male	54	61%
	Female	32	36%
	Prefer not to say	2	2%
Age	Under 18	2	2%
	18 to 24	4	5%
	25 to 34	19	22%
	34 to 45	27	31%
	45 to 54	21	24%
	54 to 65	9	10%
	Over 65	5	6%
	Prefer not to say	1	1%
Marital status	Married / civil partnership / living with partner	38	43%
	Single	42	48%
	Divorced / separated	6	7%
	Prefer not to say	2	2%
Housing status	Council or housing association accommodation	14	16%
	Home owner (outright or with mortgage)	32	36%
	Privately rented accommodation	24	27%
	Other	14	16%
	Prefer not to say	4	5%
Ethnic background	White ethnic background	75	85%
	Non-white ethnic background	9	10%
	Other	1	1%
	Prefer not to say	3	3%
Has a disability?	Yes	18	20%
	No	66	75%
	Prefer not to say	4	5%
Total		88	100%

Table 2 – Awareness and use of gambling blocks

Variable	Response	Frequency	% of those asked	% of overall sample
Before completing this survey, were you aware that some banks and lenders offer customers the ability to block gambling transactions on their credit or debit card?	Yes	50	57%	57%
	No	35	40%	40%
	Not sure	3	3%	3%
	Total	88		
Which of the following firms were you aware offer a gambling block?	Monzo	28	356%	32%
	LBG	17	34%	19%
	Barclays	15	30%	17%
	HSBC	10	20%	11%
	Starling Bank	7	14%	8%
	Average for others that do offer blocks	2.3	5%	3%
	Average for others that do not offer blocks	2	4%	2%
	Total [those aware banks offer blocks]	50		
And have you ever used a gambling block on a credit or debit card? By 'used' we mean turned on at least once	Yes	22	44%	25%
	No	27	54%	31%
	Not sure	1	2%	1%
	Total [those aware banks offer blocks]	50		
Why haven't you used any gambling blocks?	I'm not interested	8	30%	
	I haven't got around to it yet	5	19%	
	I don't think it will help me	4	15%	
	I don't have an account with any of the firms that offer gambling blocks	3	11%	
	I tried to open a bank account that has a gambling block but I was turned down	2	7%	
	I tried to open a bank account that has a gambling block but I was turned down	1	4%	
	I tried to take out a credit card that has a gambling block but I was turned down	0	0%	
	I tried to take out a credit card that has a gambling block but I was turned down	6	22%	
	Don't know			
	Other			
Total [those aware, but haven't used]	27			
What did you want to achieve by turning on a gambling block (or blocks)?	To stop gambling completely	17	77%	
	To reduce the amount of money you spent on gambling	6	27%	
	To stop anyone else from using the card to gamble	0	0%	
	To stop anyone else from using the card to gamble	2	9%	
	Don't know	0	0%	
	Other			
Total [those who have used a block]	22			
Would you be more or less likely to consider using a particular bank or lender because they offer a gambling block on their credit or debit cards?	More likely	68	77%	
	Less likely	5	6%	
	N/A	2	2%	
	Not sure	13	15%	
	Total	88		

Table 3 – Blocks as a means for controlling gambling spend

Variable	Response	Frequency	% of those asked	% of overall sample
Since first turning on this gambling block, which of the following have you done?	I've never tried to turn off this gambling block	14	56%	
	I've turned this gambling block off and on again (at least once)	7	28%	
	I've turned this gambling block off and didn't turn it back on again	2	8%	
	I've attempted to turn off this gambling block but didn't go through with it	2	8%	
	Total	25		
While the gambling block was on your card, did you ever try and use this card to gamble?	Yes - and I was able to gamble despite the block	6	23%	
	Yes - but I wasn't able to gamble	5	19%	
	No	13	50%	
	Not sure	2	8%	
	Total [uses of a block]	26		
How much money have you spent on gambling since you first turned on the gambling block for your card?	I've spent no money on gambling	14	54%	
	I've spent less money on gambling	4	15%	
	I've spent about the same amount	4	15%	
	I've spent more	3	12%	
	Don't know	1	4%	
Total [uses of a block]	26			
And in what ways have you spent money on gambling since you first turned on the gambling block for your card?	Using your card when the block was turned on	4	33%	15%
	Using your card when the block was turned off	5	42%	19%
	Using another card that was not blocked for gambling	5	42%	19%
	Using cash	4	33%	15%
	Other	0	0%	0%
	Don't know	1	8%	4%
	Total (All those who tried to gamble using their card while block was on)	12		
Overall, how useful have you found the gambling block for your card as a way of controlling your gambling?	0 to 3	5	19%	
	4 to 6	4	15%	
	7 to 9	4	15%	
	10	13	50%	
	Total (all uses of a block)	26		

Table 4 – Designing your own gambling block

If you could design your own gambling controls for your debit/credit card, how important or unimportant would the following features be? (10 = very important)	% of all respondents (n=88)			% of block users (n=22)		
	0 to 3	4 to 6	7 to 10	0 to 3	4 to 6	7 to 10
Being able to limit the amount of money you can spend on gambling on the card e.g. per hour, per day, per week	11%	3%	85%	18%	0%	82%
Being able to limit the number of times you can gamble using the card e.g. per hour, per day, per week	15%	7%	78%	18%	0%	82%
Being able to limit the times of day when you can gamble using the card e.g. so you cannot use the card to gamble after 9pm at night.	17%	7%	76%	23%	5%	73%
Being able to limit the gambling operators with which you can use the card.	13%	13%	75%	5%	18%	77%
Having a 'cooling off' period between deciding you want to switch off a gambling block and being able to switch it off.	14%	7%	80%	9%	0%	91%
Having to speak to someone at the bank or lender before you can turn off a gambling block.	24%	11%	65%	9%	0%	91%
Being able to permanently block all spending on gambling on a card	9%	8%	83%	5%	5%	91%

Table 5 – likelihood of using different features which could be offered by a bank or lender

How likely or unlikely would you be to use the following services if they were offered by your bank or lender...?	% of all respondents (n=88)					% of block users (n=22)				
	Very likely	Quite likely	Not very likely	Not at all likely	Not sure	Very likely	Quite likely	Not very likely	Not at all likely	Not sure
Set a limit on the amount of cash you can take out from an ATM	44%	9%	19%	22%	6%	59%	9%	14%	9%	9%
Opt out of any further credit	42%	20%	23%	5%	10%	50%	18%	18%	5%	9%
Talk to someone at the bank or credit company who specialises in helping people to reduce gambling-related harm	53%	23%	6%	14%	5%	68%	14%	5%	0%	14%
Get a regular reminder of how much you've spent on gambling e.g. in the past week or month	60%	19%	6%	7%	8%	59%	27%	5%	0%	9%
Get a text alert when you spend more than a set amount on gambling in a given time period	60%	15%	11%	7%	7%	50%	27%	9%	0%	14%
Nominate someone else to get alerts related to your gambling spend e.g. when you spend more than a set amount on gambling	52%	11%	11%	22%	3%	68%	9%	5%	14%	5%

3. Statistics from financial services firms

Throughout the course of the research – both in interviews and other meetings – firms shared a range of statistics from their own analysis of the data that they hold in relation to customers' use of bank card gambling blocks. This was predominantly insights on the profile of customers using gambling blocks and the 'effectiveness' of gambling blocks as a way of reducing gambling spend. Such data complements the results of our survey and qualitative research, adding insights from 'big data' that reveals customers' actual behaviour, rather than their self-reported or hypothetical behaviours.

Participating firms were able to choose what results they reported to the research team. There is a risk therefore that they did not report everything or may have only reported findings which were favourable to their agenda. Nevertheless, all appeared to engage in the spirit in which the exercise was intended – with openness and transparency – and the risks which firms perceived in sharing the data might have been considered lower given that all statistics were to be reported anonymously.

Caution should, however, be exercised when drawing comparisons across firms, because different banks were likely to use different definitions and operationalisations within the analyses that they conducted.

4. Calculation of market coverage of existing gambling transaction blocks

Debit card coverage

In June 2019 there were an estimated 77.4m personal current accounts (FCA, 2020) with debit cards a standard account feature. Applying 2014 figures for the market share of current accounts of leading UK banks³⁴ (which seem to be the most recent publicly available statistics), in Table A1 we estimate the number of current accounts held with the three major banks that offer debit card gambling blocks (Lloyds Banking Group, Barclays, HSBC).

Regarding the three smaller banks that offer debit card gambling blocks, based on scant publicly available data we estimate:

- Monzo had approximately three million customers in September 2019.³⁵
- Starling Bank had approximately 695,000 retail (personal) current accounts in August 2019.³⁶
- Cashplus is reported to have 1.6 million accounts but we do not know the break down by current account/debit card and credit card accounts.³⁷

If we assume that 50% of Cashplus accounts are current accounts with debit cards, we estimate the coverage of debit card gambling blocks to roughly equal 48.5m. **This equates to 63% of the personal current account market (Table A1).**

Table A1 Estimated number of UK bank accounts with debit card gambling block

Larger banks	% current account market (2014)	Estimated number of current accounts
Lloyds Banking Group	27%	20.8m
Barclays	18%	13.9m
HSBC	12%	9.3m
Sub-total larger banks	57%	44m
Smaller banks		
Monzo		3m
Starling Bank		0.695m
Cashplus		0.8m
Sub-total smaller banks		4.5m
All current accounts with debit card blocks		48.5m
% of all current accounts (FCA: 77.4m)		63%

If NatWest / Royal Bank of Scotland Group (approx. 13.9m current accounts, based on 18% market share in 2014) and Santander (approx. 7.7m current accounts, based on 10% market share in 2014) offered gambling blocks on their debit cards as well as credit cards, then we estimate that gambling blocks would be available for around 90% of current accounts (about 70 million accounts – roughly 22 million more than at present).

³⁴ <https://www.statista.com/statistics/387098/uk-banks-current-account-market-share/>

³⁵ <https://monzo.com/blog/2019/09/16/three-million>

³⁶ <https://www.starlingbank.com/investors/2019/letter-from-ceo/>

³⁷ https://www.altfi.com/article/5566_cashplus-boosts-sales-and-enjoys-unicorn-status

Credit card coverage

There are 61 million credit cards in the UK according to trade association UK Finance. Some of the largest credit card issuers in the UK offer their customers gambling blocks (Barclays/Barclaycard, Lloyds Banking Group, HSBC). Aside from this, we were unable to source any publicly available data on which to estimate the proportion of credit card accounts that have a gambling block.

However, according to a consumer survey conducted by Lowe (2017), 38 per cent of credit card holders have a credit card with their main current account provider. In Table A2 we use this figure to very roughly extrapolate the potential coverage of credit card gambling blocks though this is likely to be an under-estimate as some customers will hold a credit card with another firm other than their main current account provider. For example, one could have their main account with HSBC but also take out a Barclaycard credit card.

Table A1 Estimated number of UK credit cards with gambling block

Larger banks	% current account market (2014)	Estimated number of current accounts	Estimated number of current accounts that also have a credit card
Lloyds Banking Group	27%	20.8m	7.9m
Barclays	18%	13.9m	5.3m
NatWest/Royal Bank of Scotland	18%	13.9m	5.3m
HSBC	12%	9.3m	3.5m
Santander	10%	7.7m	2.9m
All credit cards with card blocks			24.9m
% of all credit card accounts (UKF: 61m)			41%

If we assume that 50% of Cashplus accounts are credit card accounts, this adds a further 0.8m, bringing the estimated total to **25.7m, or roughly 42%**.





<https://magpie.blogs.bristol.ac.uk/>
