



Briefing note to Commission on Crime and Problem Gambling

Oral evidence session with Lord Chadlington, 24 September 2020

Gemma Buckland

A. Biography

Lord Chadlington (Peter Selwyn Gummer) founded two large global public relations networks and is currently Director of The Chadlington Consultancy which provides corporate and strategic communications.

He is the Life President of the charity Action on Addiction and has recently established a charity Action Against Gambling Harms. He recently chaired an independent committee to make recommendations for the deployment of funding from the gambling industry for safer gambling initiatives, including treatment.

Lord Chadlington is a Vice-Chair of the Gambling Related Harm All Party Parliamentary Group. He is also a long-standing supporter and donor to the Conservative Party who was made a Member of the House of Lords in 1996. His brother is former MP, Lord John Gummer.

[All Party Parliamentary Groups are informal groups of Members of both Houses with a common interest in particular issues. This Group is interested in ensuring that the sector operates safely and in a way that minimises the potential for harming vulnerable people.]

B. Agenda

Lord Chadlington will speak to the Commission for 15 minutes before taking questions for the remainder of the hour. His office provided the following outline of what he intends to talk about:

1. *How many people in UK gamble: how many have potential gambling problems and how many currently have addictive gambling problems?* On-line gambling and gambling outlets.
2. *Is gambling on increase?* The link between gambling and gaming amongst children and adolescents. Loot boxes in modern gaming. FOBTs.
3. *What is the legal position?* The 2005 Act. Internet penetration 15 years ago and today. The Government Review. The tax contribution to the Exchequer.

4. *How do the gambling companies market their products? How do they protect the young and the vulnerable?*

5. *What needs to happen?* Research, Education and Treatment. Independent research upon which Government and people can rely. Education of young, parents, and troubled gamblers. Get the number in treatment up from 2% to 15/17% - the same number as those with alcohol problems in treatment.

He will also give an update on Action Against Gambling Harms (AGH) the new charity he has set up.

C. Background

Gambling industry committee and establishment of Action Against Gambling Harms

In August 2019 five betting and gaming companies -- bet365, Flutter Entertainment (owner of Paddy Power and Betfair), GVC (owner of Ladbrokes, Coral and Gala), Sky Betting and Gaming, and William Hill – established an independent committee to make recommendations about the deployment of funding for safer gambling initiatives, including treatment for problem gambling.ⁱ

This followed a commitment by the group of companies to raise their voluntary contribution to safer gambling measures to 1% of gross gambling yield.ⁱⁱ This will involve an initial increase from 0.1% to 0.25% in 2020, rising in equal instalments to 1% by 2023 – a cumulative total of approximately £100 million over the four years, and approximately £60 million annually thereafter. These commitments were brokered with the Department for Digital, Culture, Media and Sport (DCMS). The companies agreed to work with the DCMS and the Department for Health and Social Care (DHSC) and providers of existing services, including the NHS, to determine the most appropriate framework to deploy the additional funds to support increased provision of counselling and other support services for problem gamblers. It was proposed that this would include established charities and those with lived experience. A key priority was to quadruple the numbers of those accessing treatment from 2.5% to 10%.

Lord Chadlington was asked to chair the committee and said:

"The committee will consult widely to formulate its recommendations taking account in particular of the views of government, regulators, the third sector, gambling operators and those with lived experience. I am pleased to accept the invitation to chair this committee particularly as the five gambling companies are committed to implementing any reasonable recommendations it may make. I will announce the membership of the committee by mid-September."

Regarding the additional investment, he had previously commented:

“This initiative should ensure that the necessary reforms to protect the young and vulnerable particularly with the growth of online gambling will be rooted in independent research – on everything from online gambling harms to associated suicide. That evidence base should also be used for education and for treatment. We must be certain that through the consultation process, a means is secured for the funds to be administered and the programmes evaluated, independent of the contributing companies and the gambling industry as a whole.”

At the time of the launch it was noted that membership of the committee would be announced in September 2019 and that it would publish its recommendations before the end of the year. Lord Chadlington and the other appointed members of the committee were not remunerated.

No formal announcements appear to have been made since then about the appointees of the committee or any recommendations it has made.

In December 2019, the Financial Times reported that committee members comprised Lord Chadlington, Liz Ritchie (co-founder with her husband of the charity *Gambling With Lives*) and Tracey Crouch MP (former DCMS Minister with responsibility for gambling, who spearheaded the FOBT maximum stake cut that came into force in April 2019).ⁱⁱⁱ

The articles states that Lord Chadlington held the following views:

- the 2005 Gambling Act was not "fit for purpose" and did not address the massive growth in online betting in the past decade; and,
- there was a conspicuous lack of research into the harm caused by the sector, particularly on how online gaming might push children to become gamblers later in life.

According to the FT article, the committee decided to establish a charity, Action Against Gambling Harm, to administer the funds and that a board of trustees, chief executive and finance director would be appointed. Lord Chadlington said that the charity would be independent of the gambling industry and that lobbying from gambling companies to fund a certain project would see that project excluded from future grants. An advert was placed for a Chair.

The charity was reportedly promised the funding in August 2019 but the Betting and Gaming Council (BGC) announced in June 2020 that the five providers concerned would give £100m to the charity GambleAware to improve treatment services for problem gamblers.^{iv} The BGC also committed to make £2.5m available to a gambling education project provided by YGAM/GamCare and £3.8m to the BetRegret 2020 advertising campaign to encourage safer gambling.

A Guardian article on 24 June 2020 provides additional information about the situation:

AGH, which was widely expected to administer the £100m, is understood to have been blindsided by the industry’s snub.

In December last year, AGH published an update in which the five gambling firms said they had asked Lord Chadlington to assemble a committee to administer funds and were “committed” to enacting its recommendations.

The BGC told the Guardian its members had decided to give the money to GambleAware after discussions with the Department for Digital, Culture, Media and Sport (DCMS).

“While Lord Chadlington was asked by the largest operators to conduct a review into funding gaps, it was Lord Chadlington himself who decided that he wanted any additional money to go to his own body, despite the fact that they are not in any way equipped at this stage to carry out research, education and treatment (RET) of problem gambling,” said the BGC. “As his organisation is not yet even approved by the regulator, the Gambling Commission, to do RET, we simply could not have given them the RET funding.”

However, the firms said at the time they wanted AGH to “direct, monitor and evaluate” spending. The charity planned to distribute the money, not to perform its own research, education and treatment.^v

The decision not to channel the funding through the charity established by Lord Chadlington raised concerns about the extent to which there was independence in the use of the discretionary funding provided by the gambling industry. For example, over 50 academics who described themselves as “leading academic scientists studying gambling behaviours and its harms” subsequently published an open letter in the British Medical Journal urging government ministers to introduce a statutory levy on gambling firms to deliver reductions in gambling harms.^{vi} No additional funding appears to have been committed to research by the companies concerned; this has remained at 0.1% of their annual revenue being dedicated to research, education and training. They state in the letter:

It is also our belief that funds for research into gambling harms and their reduction should primarily be distributed through recognised independent organisations, such as UK Research and Innovation. We hereby urge you, as the secretaries of state with responsibilities for addressing gambling harms, to implement a statutory levy to fund effective prevention and treatment of gambling harms that is free both from industry influence and the perception of industry influence. [...] industry has now demonstrated its ability and willingness to change the direction of funding at short notice. A system that contains such uncertainties is not suited to the long-term development or delivery of a strategic plan to reduce harms.

Parliamentary activity

The APPG for Gambling Related Harm

The All-Party Parliamentary Group, of which Lord Chadlington is one of several Vice-Chairs, conducted its own inquiry into Online Gambling Harm and published an interim report in November 2019.^{vii} The report was drafted by Interel (the Group Secretariat) and is funded by Derek Webb, Bacta and Hippodrome Casino. Over six

months, the APPG held six public inquiry sessions and a number of closed private inquiry sessions to gather evidence for this report as well as inviting written submissions. At the time of the report the group had not met with the new Gambling Minister or any representative from the Gambling Commission.

Relevant conclusions and recommendations include:

- The group is deeply concerned that it is still possible to gamble online with a credit card and to use debt to fund addiction. This should be ended immediately as should the use of overdrafts to fund gambling.
- GambleAware collects funds from the industry to research and treat gambling addiction, but we are deeply concerned about the way they operate and an urgent review of their role and effectiveness is required.
- We did not find the operators have sufficient harm prevention measures in place or a full enough understanding of the markers of harm. There are also of course clear conflicts of interest. A high proportion of revenue for the online operators comes from those who experience harm. Whilst we would like the industry to regulate itself, this conflict of interest underlines the need for stronger regulation by the Gambling Commission.
- Given the clear scale of harm caused by online gambling, and the cross-party consensus that action is needed in this area, it is not clear to us why the Government and the Gambling Commission are not looking at this area in greater depth and that more radical action is not being taken.
- New legislation is urgently required which should focus on prevention of harm and retrospective concerns but also assess the kind of industry we would like to have in the future.
- Improved affordability checks are urgently needed
- An increased role for banks is needed in relation to affordability checks
- Gambling companies need to significantly improve the measures they take to protect vulnerable or at-risk gamblers
- Banning the use of credit cards
- There should be a rapid and thorough assessment of the prevention, research and treatment needs that exist in all parts of the UK
- The treatment of gambling addiction and support for gambling related harm should be part of the NHS remit
- The commissioning of research should be transferred from GambleAware and the Gambling Commission to independent UK research councils,

Parliamentary Questions

Lord Chadlington has asked some questions in the House of Lords related to crime and problem gambling.^{viii} For example:

- Questions to Home Office on police call outs related to mental health problems connected with gambling-related harm and on why it does not hold such information. The response to the latter cited challenges for the police in identifying such cases, the need to limit bureaucracy and that the police would respond to irrespective of whether the mental health crisis was related to gambling. UIN HL10996
- A question to the Treasury on 'push payment fraud' [when fraudsters deceive consumers or individuals at a business to send them a payment under false

pretences to a bank account controlled by the fraudster] about steps they are taking to ensure that funds obtained in this way are traced and recovered.

- Questions to the Ministry of Justice on prevalence of problem gamblers in prison and on the level of support and care available to them. The prevalence is not known as gambling is not seen as a common risk factor and support available includes debt advice, mental health provision and could also include referral to specialist organisations such as Gamblers Anonymous or Gamcare, as well as services provided through the chaplaincy and the Offender Learning and Skills Service (OLASS) such as money management courses.

He has also asked numerous questions to DCMS, DHSC and the Department for Education about gambling-related harms in the House of Lords. These include:

- The balance between genders of 'gambling addicts'
- Funding for educational programmes for GPs and parents
- Trips to a hospital or safe place made by police or ambulance crews connected with gambling associated with mental health (NB not collected centrally)
- Costs of gambling related harm to the NHS (not known)
- Volumes of gambling-related hospital admissions
- Contribution to the divorce rate
- Government plans to conduct a large-scale gambling prevalence survey (none in addition to existing questions linked to health surveys)
- Estimates of gambling-related suicides
- Gambling-related advertising

He proposed that gambling be included alongside drugs and alcohol in the NHS Long Term Plan.^{ix}

He spoke about the gambling levy in a debate on gambling addition in November 2018 and said:

Each gambling clinic requires funding of, broadly speaking, £500,000 a year. We could establish 10 or even 20 of these centres in those key areas of the UK where we know there is an intense gambling problem. It would cost us upwards of £10 million. That is a lot of money but a very modest sum compared with the £1.2 billion that gambling costs the Exchequer every year.

....The cost of establishing the centres should be met by the gambling industry itself, with the centres run independently by the NHS. That is a further reason for the Government to review the voluntary gambling levy, currently producing about £10 million or £12 million. Raise it to 1% and we would have £130 million or £140 million. With those funds, we could not only get those clinics up and running around the country—they could be based on the west London model, which has been so successful—but conduct better research, educate young people on the dangers of gambling, provide more support for affected families and train more doctors and nurses.^x

In a debate on online gambling in November 2017 he said:

I have continually been asked: is the research from the Gambling Commission and from GambleAware, on which arguments and legislation may ultimately be based, genuinely independent of the gambling industry, which funds it, particularly as several of their trustees were recently chief executives of the very companies that provide the money?

The questions about problem and online gambling, to which we need answers, are becoming more and more pressing. For example, do we feel confident that we have well-grounded, long-term trend analysis of problem gamblers in the UK and the causes of their addiction? Is traditional and online advertising encouraging young people to believe that without gambling online they cannot enjoy a fulfilling social life? How far is gambling undermining family life? What are the lessons to be learned from other countries such as Sweden and Australia, where legislation is more advanced, as the noble Lord has just pointed out? Personally, I advocate increasing the levy on gambling industry profits—I would also make it statutory—so that we can fund research into these and other questions.

However, in these days of increased public cynicism, it is not enough actually to be independent of the industry; it is also essential to be seen to be independent and to be transparently so. For my own part, I believe that these organisations are independent, but will the Minister consider increasing the levy on the industry and confirm that he is satisfied with the independence of GambleAware, the Gambling Commission and similar organisations and, most importantly, the subjects they choose to research? Does he believe that there should be any additional protections or compliance procedures? Perhaps, when the final gambling review is published, the Government would also consider adding a profile of the organisations they have used for their research and say why they feel confident that the methodology and conclusions are entirely independent and can be relied upon.^{xi}

D. Suggested questions

1. You recently chaired a committee that was tasked by several gambling companies to make recommendations about the deployment of funding for safer gambling initiatives, including treatment for problem gambling. Did the committee draw any conclusions about how best to administer funding for research, education and treatment for problem gambling-related crime?
2. Several large gambling operators have committed to increase their contribution to safer gambling measures. Is this contribution sufficient, in your view? What further steps, if any, would you like to see the operators taking to reduce problem gambling-related crime in particular?
3. What model of funding would you propose to increase research, education and treatment for gambling-related crime?
 - Do you believe that the NHS should be responsible for funding treatment for people who have committed gambling-related offences and who are in contact with the criminal justice system?
4. What do you see as the challenges for treatment providers in accepting funding directly from gambling companies?

5. You have called for more research into problem gambling, noting that the scale of the issue does not resonate with existing research. Do you have any suggestions about gaps in research on gambling-related crime in particular?

6. You commented in the Financial Times in 2019 that gambling legislation is so outdated it is “not fit for purpose”. What revisions would you propose to the Gambling Act to address this? Do any of them relate to gambling-related crime?

7. You also said in that article and in Parliamentary debates that tighter regulation is required. What further regulation of the gambling industry would you like to see which would reduce problem gambling and crime? Should this be achieved through legislation or other means?

8. Do you have any intentions for your charity Action Against Gambling Harms to undertake any work on problem gambling and crime?

9. Can tell us what you think our Commission should focus on and what contribution it should aim to make at the end of its three years?

ⁱ <https://gvc-plc.com/newsrelease/independent-committee-being-established-to-make-recommendations-about-the-deployment-of-funding-for-safer-gambling-initiatives/>

ⁱⁱ <https://gvc-plc.com/newsrelease/britains-leading-betting-and-gaming-companies-commit-to-a-package-of-safer-gambling-measures-and-support-for-problem-gamblers/>

ⁱⁱⁱ Financial Times, “[Gambling addiction body warns on UK’s outdated law](#)”, 9 December 2019

^{iv} <https://bettingandgamingcouncil.com/news/100mppledge-to-help-problem-gamblers/>

^v <https://www.theguardian.com/society/2020/jun/24/uk-betting-firms-move-to-redirect-problem-gambling-funds-raises-concerns>

^{vi} <https://www.bmj.com/content/370/bmj.m2613>

^{vii}

<http://grh-appg.com/wp-content/uploads/2019/11/Interim-APPG-Report-November-final-1.pdf>

^{viii} <https://members.parliament.uk/member/3318/writtenquestions>

^{ix} House of Lords Hansard, 31 January 2019, vol. 795, col. 1243

^x House of Lords Hansard, 01 November 2018, vol. 793, col. 1480

^{xi} House of Lords Hansard, 23 November 2017, vol. 787, col. 350