

Impact case study (REF3)

Institution: University of Liverpool		
Unit of Assessment: UoA 17 Business and Management Studies		
Title of case study: Making Gambling Safer		
Period when the underpinning research was undertaken: 2015 to present		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s):	Role(s) (e.g. job title):	Period(s) employed by submitting HEI:
David Forrest Ian McHale	Professor Professor	2015-present Sep 2017-present
Period when the claimed impact occurred: 2017 to present		
Is this case study continued from a case study submitted in 2014? N		
<p>1. Summary of the impact (indicative maximum 100 words)</p> <p>Problem gambling, estimated to affect 400,000 people in Britain, represents a public health issue associated with serious social harms. Research by Forrest and McHale has provided insights into both typical and atypical gambling behaviour, with impacts on:</p> <ul style="list-style-type: none"> • Government as policy change in Britain reduced stake limits on Fixed Odds Betting Terminals from £100 to £2. • Gambling Commission regulatory decisions, such as changes in licence conditions imposed on operators. • Gambling companies' practice such as constructing frameworks for identifying customer behaviour suggestive of harm such that these customers can be helped. <p>These impacts move policy and practice towards interventions targeted at those likely to be experiencing harm, the benefits of which have been recognised by the stakeholders above and a national gambling charity, Young Gamers and Gamblers Education Trust (YGAM).</p>		
<p>2. Underpinning research (indicative maximum 500 words)</p> <p>Forrest and McHale use econometric modelling and analytics to study patterns of individual behaviour in gambling. They employ diverse datasets including detailed player account data, supplied either directly from the industry or through the regulator. Their work has focussed on how gamblers behave both online and at land venues, e.g. casinos and bookmaker shops. One strand of research used data on play by individual customers gambling either online or at land venues using loyalty cards. A second strand used longitudinal data on the lifestyles and gambling habits of parents and their children over two decades.</p> <p>Impact has been generated through findings from a series of research projects published as a portfolio of peer-reviewed commissioned research [3.2-3.5], and journal articles [3.1]. Topics covered include:</p> <ul style="list-style-type: none"> • How players respond to changing constraints on play: findings presented in [3.2] illustrate the risks of unintended consequences from regulatory action. For example, following one regulatory change which reduced the maximum stake on Fixed Odds Betting Terminals from £100 to £50 (a £100 stake was still possible, but a specific request to the shop for the higher limit was necessary), gamblers spent much longer on the machines (spending just as much money as before). • Identification of players who tend to chase losses: chasing losses is regarded as a major signal that an individual may be suffering gambling harm. Identification of loss chasers can be used as a trigger for intervention to encourage safer play. 		

Algorithms for detecting gamblers who return to gambling sooner, or increase stake sizes, in response to losing are presented in [3.3]. Following this research, high profile operators are employing such algorithms.

- **Late night, reckless gambling:** in [3.3], analysis reveals that some gamblers spend at a much faster rate during late night sessions than they do during daytime sessions.
- **Patterns of time and money spent on gambling:** using aggregated data from 11 major online gambling operators, [3.4] presents analysis of the pattern of spending across individual customers. Results suggest that a high proportion of spending was accounted for by a small proportion of gamblers.
- **The impact of parental gambling on the next generation:** in some jurisdictions public health messaging targets parents regarding their role in shaping the attitudes and behaviour of their children towards gambling. However, there has been a lack of evidence of the importance of parental role-modelling. The relationship between parental gambling during an individual's childhood and engagement with gambling in young adulthood is investigated in [3.5] and [3.1]. Findings indicate cross-gender transmission of problem gambling, e.g. mothers to sons.
- **Adaptation of young adults to new opportunities for gambling once they reach the legal age:** analysis of longitudinal data in [3.5] reveals an exceptional incidence of new-onset problem gambling between ages 18 and 20. This suggests a need for operators to have lower thresholds for intervention for young customers when algorithms flag patterns of play associated with gambling harm.

These research insights have impacted on the formulation and implementation of policies, and policy changes to mitigate gambling-related harm.

3. References to the research (indicative maximum of six references)

[3.1] Forrest, D. and McHale, I.G. (2020). "Transmission of problem gambling between adjacent generations". Journal of Gambling Studies. <https://doi.org/10.1007/s10899-020-09977-8>

[3.2] Forrest, D. and McHale I.G. (2017). "FOB-Ts in British betting shops: further analysis of machines data to examine the impact of the £50 regulations". Report for Responsible Gambling Trust, UK. Available at <http://infohub.gambleaware.org/wp-content/uploads/2017/02/FOBTs-in-British-betting-shops-Further-analysis-of-machine-data-to-examine-the-impact-of-the-50-regulations.pdf>

[3.3] Forrest, D. and McHale, I.G. (2016). "Tracked play on B1 gaming machines in British casinos". Report for the Responsible Gambling Trust, UK. Available at <http://infohub.gambleaware.org/wp-content/uploads/2015/10/TRACKED-PLAY-REVISION-26-6-16.pdf>

[3.4] Forrest, D. and McHale I.G. (2018). "Analysis of Play Among British Online Gamblers on Slots and Other Casino Style Games". Report for the Gambling Commission, UK. Available at: <https://about.gambleaware.org/media/1697/analysis-of-play-among-british-online-gamblers-on-slots-and-other-casino-14318.pdf>

[3.5] Forrest, D. and McHale I.G. (2018) "Gambling and Problem Gambling Among Young Adults: Insights from a Longitudinal Study of Parents and Children". Report for GambleAware, UK. <https://about.gambleaware.org/media/1799/gambling-and-problem-gambling-among-young-adults-revision-10818-final-publish-002.pdf>

Publications [3.2] to [3.5] were subject to peer review process by academic experts in the field of gambling studies.

4. Details of the impact (indicative maximum 750 words)

The National Strategy to Reduce Gambling Harms states that responsibility for making gambling safer lies with the government, the regulator and the gambling companies. By undertaking research with these parties, Forrest and McHale have impacted on each of these three actors with benefits described below.

4.1 Government

The starting point for the UK government to change gambling policy is the triennial review of limits on stakes, prizes, and provision of gaming machines. Prior to the 2018 review, controversy surrounded regulations permitting a £100 stake on machines in bookmakers, which many thought too high. Attempting to mitigate harm, regulations introduced in 2016 had reduced the maximum stake to £50 (unless the customer requested otherwise). In due course, the Department for Digital, Culture, Media and Sport ordered a review of this policy. Forrest and McHale were commissioned to examine the data and concluded in 2018 that the reduction of the stake from £100 to £50 had not had the desired effect. This played an important role in the ensuing debate, as evidenced in House of Commons Briefing Paper [5.1, p.19]. Subsequently the government reduced the maximum stake to £2.

4.2 Regulator

The Gambling Commission is charged with ongoing modification of the Licence Conditions imposed on operators to make gambling safer. Using results from Forrest and McHale's research [3.4], the Commission argued for increased levels of player protection to be put in place on gaming machines in casinos.

The Commission's report [5.2, pp.19, 29-30] quotes the research findings on frequency of long duration sessions and high daily losses among casino customers. The topic under discussion in the report was whether player protection tools that are in place for machines in bookmaker shops (B2 machines) should be extended to machines in casinos (B1 machines). The Commission's report describes the research findings and then immediately states: "2.65 *Consequently, we think it is appropriate to consider extending B2 style player protection tools to B1 machines...*". This meant closer monitoring of machine play in casinos with appropriate interventions by the operator where problematic play was detected.

Subsequently, the Commission initiated the research on online gambling by Forrest and McHale which revealed the high dependence of operator revenue on a small number of customers. This finding was acted upon by the Commission. In his testimonial [5.3], a partner of Regulus Partners notes: "*the recommendation from Forrest & McHale 2018 that the Commission require licensees to disclose the proportion of revenues from the top 10% of customers was adopted within the 2019 Assurance Statement*".

This response to the research findings is further evidenced in the Gambling Commission's Review of Online Gambling [5.4] in which the research findings are extensively discussed. In paragraph 3.37, the Commission explicitly states that in view of the research findings it proposed to broaden the scope of data required to be included in licensees' regulatory returns.

The impact of the whole research portfolio is evidenced by a testimonial from the Head of the Safer Gambling Team at the Gambling Commission, in which he states that: "*research conducted by Professors David Forrest and Ian McHale in the last three years has made an impact on regulatory thinking and decision-taking [at the Gambling Commission]*" [5.5].

4.3 Operators

The research has also prompted operators, for example, Skybet, one of the country's highest impact betting companies, and the Hippodrome, London, the country's busiest casino, to seek guidance from the researchers as to how they can put into effect policies to make their gambling environments safer.

Based on the research into how to identify casino gamblers who chased losses [3.2], McHale helped design algorithms that the Hippodrome is now using to identify loss-chasers amongst its loyalty card customers. The Chief Executive of the Hippodrome states in his testimonial [5.6]: *"We are pleased to say that as a result of the research by Forrest and McHale, and McHale's subsequent tailoring of an algorithm for our operation, we feel we have strengthened our safer gambling programme"*.

As a leading online betting operator, the customer base of Skybet includes a high proportion of young males. Responding to research findings [3.4] which showed an exceptionally high incidence of new-onset problem gambling between ages 18 and 20, it has introduced lower thresholds for actively intervening when flagged cases of possible harm relate to the youngest age group in its customer base. In testimonial [5.7], the Head of Safer Gambling at Skybet says: *"The work of Forrest and McHale... directly influenced how we approached our processes for responsible gambling"*.

YGAM is a UK nationwide charity addressing the potential for gambling harm among adolescents and young adults. The Chief Executive of YGAM notes that the results from the research on young persons' betting were used to lobby operators to improve their procedures and that: *"As a result of Forrest and McHale's research...we have made strides in making gambling in the UK safer"* [5.8].

5. Sources to corroborate the impact (indicative maximum of 10 references)

[5.1] House Of Commons Library Briefing Paper Number 06946 1st August 2017: Fixed Odds Betting Terminals, page 19. This briefing paper discusses the research and its implications for the debate on whether to make further changes to the regulations on machines in bookmakers.

[5.2] Review of Gaming Machines and Social Responsibility Measures – Formal Advice. Gambling Commission (2018), paragraphs 2.62-2.65. Report in which the research is used to justify the use of more stringent regulations on machines in bookmakers.

[5.3] Testimonial letter from Partner at Regulus Partners, illustrating the influence of the research on requirements imposed on operators by the Gambling Commission.

[5.4] Review of Online Gambling, Gambling Commission. A report which relies heavily on the research in setting out future policy and regulation in the online gambling sector.

[5.5] Testimonial letter from the Head of Safer Gambling, the Gambling Commission, on the influence of the body of research on decisions taken by the Commission.

[5.6] Testimonial letter from the Chief Executive of the Hippodrome London, on the application of the research to provide player protection tools in the casino.

[5.7] Testimonial letter from the Head of Safer Gambling at Skybet, on the influence of the research on Skybet's approach to safer gambling.

[5.8] Testimonial letter from the Chief Executive of YGAM, stating that the research has helped make gambling in the UK safer.