

Understanding gambling-related harm and debt

Information paper

July 2015

Introduction

Gambling is a safe and enjoyable experience for most people who gamble, but a small proportion experience harm. One such harm can result from financial debt, which can affect not only the gambler but also their families and others around them. The exact level and extent of gambling debt in Great Britain (GB) is not known with any certainty. This paper describes such information as is available, gathered from a number of sources, to help understanding of this important topic.

The Responsible Gambling Strategy Board's [2012 Strategy](#) for gambling research, education, prevention and treatment identified the need to understand better the potential role in harm prevention of a range of organisations other than the gambling industry. One area to which this might apply is gambling-related debt.

Problem gambling can be difficult to identify.¹ The presence of debt can be the first obvious sign of problem gambling.² Debt and other factors known about problem gamblers, such as related addictions (especially smoking),³ could be used by those working in related non-gambling services⁴ to help identify problem gamblers and to direct them to appropriate information and help.

It is also important that interventions take account of the presence of debt.

The information about gambling debt in Great Britain (GB) in this paper has been gathered from the 2012 health surveys, treatment providers, advice agencies and the Insolvency Service.⁵ Much of it is based on self-reporting. It has therefore to be treated with caution. Levels of debt may not be disclosed accurately.⁶ It can also be difficult to identify debt indirectly incurred through gambling (ie debt incurred because money which would otherwise be used to pay bills has been spent on gambling),⁷ or to distinguish between gambling-related debt and debt attributable to other spending.

Health surveys

Two screening tools have been used in successive GB surveys to measure problem gambling within the population - DSM-IV⁸ and the Problem Gambling Severity Index (PGSI).⁹ DSM-IV uses ten criteria ranging from chasing losses to committing a crime to fund gambling. These criteria are assessed on a four-point scale from 'never' to 'very often'.

Responses to each item are split to show whether a person meets the criteria. Total scores between zero and ten are possible. A score of three or more is regarded as identifying a 'problem gambler'.¹⁰ PGSI uses nine criteria, also assessed on a four-point scale ranging from 'never' to 'almost always'. Total scores between zero and 27 are possible.

A PGSI score of eight or more is regarded as identifying a problem gambler.¹¹ Both tools capture aspects of the financial impact that gambling has on an individual.



The Responsible Gambling Strategy Board (RGSB) was set up in late 2008 to advise the Gambling Commission and, in turn, the Department for Culture, Media and Sport, on research, education and treatment programmes needed to support a national responsible gambling strategy and associated funding requirements.

Sir Chris Kelly, KBE is our Chair, supported by 11 Board members.

Table 1: Scottish Health Survey (SHeS) 2012 and the Health Survey for England (HSE) 2012
Responses to questions relating to the financial impact of gambling (per cent of total respondents responding positively to a question)¹²

		All respondents		Men		Women	
	PGSI	Almost always / most of the time	Sometimes	Almost always / most of the time	Sometimes	Almost always / most of the time	Sometimes
Item	Bet more than could afford to lose	0.4%	2.5%	0.7%	3.4%	0.2%	1.3%
	Gambling caused financial problems	0.3%	0.7%	0.5%	1.0%	0.2%	0.2%
	Borrowed money / sold items to finance gambling	0.2%	0.4%	0.2%	0.7%	0%	0.1%
	DSM-IV	Very often / fairly often	Occasionally	Very often / fairly often	Occasionally	Very often / fairly often	Occasionally
	Relied on others to help with a financial crisis caused by gambling	0.2%	0.3%	0.3%	0.4%	0.1%	0.1%

Table 1 summarises responses to the questions relating to the financial impact of gambling from the [Scottish Health Survey \(SHeS\) 2012](#) and the [Health Survey for England \(HSE\) 2012](#).^{13 14 15}

Of all respondents to the health surveys, 2.9 per cent stated that they bet more than they could afford to at lose at least sometimes (with the majority doing so sometimes, rather than most of the time or almost always).¹⁶ If applied to the population of Scotland and England, the implication is that something in the region of 1.7 million individuals and their households could be betting more than they can afford.¹⁷

Of course, betting more than you can afford is not necessarily indicative of financial problems. The proportion of respondents admitting to such problems is lower than the figures above. But the numbers involved are still substantial. If taken at face value, the figures suggest that as many as 600,000 individuals in Scotland and England could have gambling-related financial problems and more than 350,000 could have borrowed money or sold items to finance gambling. Almost 300,000 could have relied on others to help with a financial crisis caused by gambling.

Rates of endorsement for the same questions in the British Gambling Prevalence Survey (BGPS) 2010 were slightly higher (see Table 1, Annex A), although the different survey approaches used mean that comparisons have to be treated with caution.

Men were more likely than women to endorse items under both screens. Numbers of endorsements tended to drop in line with age (see Table 2 in Annex A).

Treatment providers

A number of treatment providers for problem gamblers who receive funding from the Responsible Gambling Trust (RGT) record information about their clients relevant to these issues. Such data does, of course, relate only to those who present for treatment.

GamCare

[GamCare](#) operates the National Gambling helpline, and offers support, information and advice to anyone suffering through a gambling problem. It also provides treatment services in a range of locations within Great Britain through a network of partners.

During the most recent reporting period (2013-14), GamCare received 30,648 calls through its helpline or Netline:¹⁸

- 29 per cent of gamblers accessing the services reported experiencing financial difficulties.
- 69 per cent reported at least some debt, with 12 per cent not responding to the question.
- Of those disclosing debt, almost three quarters (71 per cent) reported debts of less than £10,000 (with 53 per cent of these being under £6,000). Debts of this magnitude can still be problematic in some circumstances.

In the same reporting period, 3,947 people were referred by GamCare to counselling. Of these:

- 43 per cent disclosed having a specific amount of debt, together with 24 per cent disclosing that they had 'some' debt.¹⁹ Only 20 per cent reported that they had none.
- 63 per cent of those in debt as a result of gambling owed less than £10,000 (of which 47 per cent owed less than £6,000). None reported debts of more than £51,000.
- Just 2 per cent reported bankruptcy, with a further 1 per cent reporting an Informal Voluntary Arrangement (IVA).

National Problem Gambling Clinic

The Central and Northwest London NHS Foundation Trust (CNWL) supports the National Problem Gambling Clinic, providing treatment services to problem gamblers and their families in England and Wales. It operates from London.

The Clinic has provided data on current debt (including gambling and non-gambling related debts) and estimates of total losses (gambling-related only) for those clients presenting for treatment between April 2011 and April 2014.

- The average debt among the sample of 962 people was £16,615.²⁰
- Those who reported gambling online in the last 30 days before the point of referral reported significantly higher debt levels (an average of £20,245) compared with those who had gambled in other ways (an average of £12,372).²¹
- Those who used mobile internet to gamble experienced higher debt levels (an average of approximately £24,881) compared to those who used other channels (£12,540).²²
- Clients who successfully completed their treatment (a 'planned discharge')²³ at the Clinic on average had higher current debts (£20,181) than those who had an 'unplanned discharge' (£12,027).

Advice agencies

Information has been obtained from [Citizens Advice](#) (through its Consumer and Public Services and Policy team) and two advice agencies in South Wales.

i) Case studies

Through the first of these information sources, Citizens Advice has provided us with a selection of case studies about clients who have disclosed gambling and debt. These cases are from across England and Wales.²⁴ The case studies have been recorded on its bureau evidence database.²⁵ Some of them make specific reference to using payday loans.

ii) Pilots

As part of their involvement with a Gambling Risk and Harm Minimisation pilots funded by the Responsible Gambling Trust (RGT), the Addiction Recovery Agency ran a pilot in South Wales which forged links with several advice agencies. These organisations appointed 'Gambling Intervention Workers' who recorded information about clients who disclosed problem gambling. Two such organisations - Newport's Citizens Advice bureau (CAB) and Cardiff's Pen Yr Enfs²⁶ - recorded the numbers of clients reporting debt, the amount of estimated debt, and the type of gambling activity undertaken. The periods covered were April 2012 to April 2014 for Newport and June 2013 to August 2014 for Cardiff. Full information is contained at Annex B.

To summarise:

- In total the two organisations dealt with 98 clients about gambling during these periods. The majority of those disclosing debt were men - just 13 were women.
- At Cardiff, eighteen clients who reported gambling participation and debt, had an average debt amount of £4,218 each. Ten clients reported an unknown amount.
- At Newport, fifty seven clients who reported gambling participation and debt had an average debt amount of £29,388 each. Thirteen clients reported an unknown amount.

The distribution of the sample across debt bands for both organisations is shown in Figure 1.

Figure1: Size of debt reported by clients of CAB, Newport and Pen Yr Enfs, Cardiff



Source: CAB, Newport and Pen Yr Enfs, Cardiff

Insolvency Service

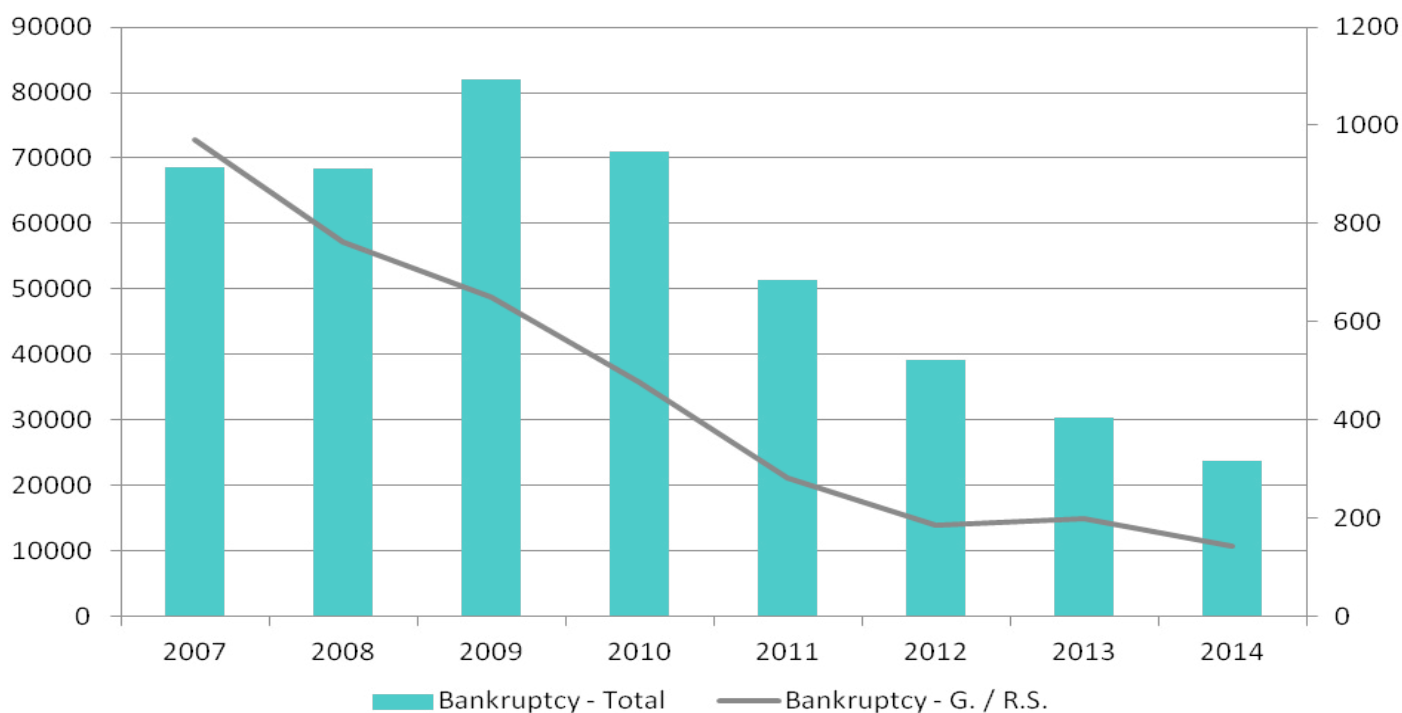
The Insolvency Service collects data for UK bankruptcies where the cause is 'gambling and other rash speculation'.²⁷ Between 2007 and 2014, this cause accounted for 3,666 of the total number of bankruptcies of 384,307 (1 per cent). Figure 2 shows the annual number of bankruptcies resulting from gambling and other rash speculation.

The number of these bankruptcies declined year on year (except for 2013), following the overall trend for all bankruptcies in the same period (see Figure 2).

Gambling is often hidden as an addiction. So it is possible that some gambling-related bankruptcies are not identified as such and go unrecorded.

The Insolvency Service does not hold equivalent data for Debt Relief Orders²⁸ or IVAs.

Figure 2: Annual number of UK bankruptcies and those caused by gambling and other rash speculation.



Source: Insolvency Service (2007 to 2014)

Conclusion

The information summarised in this document draws together data that we have located from a variety of sources, contributing to what we know about the relationship between gambling and debt.

Key points include:

- The health surveys suggest that as many as 1.7 million individuals and their households in Scotland and England could be gambling more than they can afford, 600,000 could have financial difficulties associated with gambling and 350,000 could have borrowed money or sold items to finance gambling. Almost 300,000 individuals could have relied on others to help with a financial crisis.
- Of those contacting GamCare, or receiving counselling services through the charity, in 2013 to 2014:
 - Only a fifth reported having no debt
 - Approximately one third of those reporting debt owed more than £10,000. Debts much smaller than that can still be problematic for some people, depending on their circumstances.
- The average debt amongst the sample of clients at the National Problem Gambling Clinic between 2011 to 2014 was £16,615.
- Up to 1 per cent of bankruptcies are known to be linked to gambling, an average of 500 a year between 2007 and 2014. These figures may, however, understate the true level of gambling-related bankruptcies.
- The Newport and Cardiff pilots demonstrated that a number of clients presenting for help at advice organisations are those who require advice for gambling and debt.

Advice agencies need to be aware that some individuals with debt problems may have a gambling problem. These agencies have the potential to play a key role in identifying signs of problem gambling, making interventions and signposting clients for help where appropriate.

The Responsible Gambling Strategy Board and the Responsible Gambling Trust plan to hold a seminar on gambling and debt by 2016.

Ask us, help us

If you would like to contact us about any aspect of this paper, please contact us by email at info@rgsb.org.uk

References

- 1 Gengler (2007) and Grodsky and Kogan (1985), cited by Downs C. et al (2009) [Gambling and Debt Project: Working Paper 01: Literature Review](#)
- 2 Valentine and Hughes (2008), cited by Downs C. et al (2009)
- 3 For example, the British Gambling Prevalence Survey (BGPS) 2010 data suggested that problem gambling was more prevalent among those who report cigarette smoking.
- 4 For example, those working in debt advice, charities, GPs, those working in mental health, prison services etc.
- 5 Note also a study published in 2012 which explores the relationship between money, gambling and debt through secondary analysis of the Adult Psychiatric Morbidity Survey (APMS) 2007: Kerr et al (2012) [Debt and problem gambling: Evidence from the Adult Psychiatric Morbidity Survey](#)
- 6 For example, Downs et al found that the data collected during their study suggested gambling debts averaging £60,000 might be common amongst gamblers with unmanageable debt, whereas the average debt disclosed by clients in counselling with GamCare was just £17,500 (according to GamCare's 2007 Care Services Report): Downs C. et al (2009) Gambling and Debt Pathfinder Study. See also Williams J. et al (2004) The proportion of gaming revenue derived from problem gamblers: examining the issues in a Canadian context.
- 7 Downs et al (2009). Directly incurred debt relates to money spent directly on gambling. Indirectly incurred debt applies where the individual, having spent money on gambling, falls into debt as they cannot meet other financial obligations.
- 8 This is based on the fourth edition of the Diagnostic and Statistical Manual of Mental Disorders of the American Psychiatric Association, for use by clinicians to identify problem gamblers: Wardle, H (2012) Gambling Behaviour – Scottish Health Survey 2012.
- 9 This was developed for use among the general population rather than within a clinical context, and has been tested and validated within a general population survey: Wardle, H (2012) Gambling Behaviour – Scottish Health Survey 2012.
- 10 See the BGPS 2010 for further information as to how this is calculated.
- 11 See the BGPS 2010 for further information as to how this is calculated.
- 12 As referred to above, NatCen, who were commissioned by the Gambling Commission, combined the HSE 2012 and SHeS 2012 data sets in order to conduct in-depth analysis into gambling behaviour. For further information, see Wardle H. et al (2014) [Gambling Behaviour in England and Scotland: Findings from the Health Survey for England 2012 and Scottish Health Survey 2012](#)
- 13 Data have not been collected in Wales as it was not possible to secure questions in the Welsh Health Survey.
- 14 In 2014 the HSE 2012 and SHeS 2012 data were combined in order to conduct in-depth analysis into gambling behaviour, in particular looking at groups within populations and associations with problem and at-risk gambling.
- 15 Table 1 at Annex A summarises equivalent information from the BGPS 2010.
- 16 0.9 per cent of men and 0.3 per cent of women did so most of the time or almost always.
- 17 Population estimates for combined HSE and SHeS 2012 based on the Annual Mid-year Population Estimates for England 2012, and General Register Office for Scotland 2012 Mid-year.
- 18 The NetLine is an online text 'chat' service. It is possible to access the service via a smartphone, tablet, laptop or PC.
- 19 GamCare confirmed that for those clients who disclosed that they had 'some' debt, they were not able to quantify the amount of debt or did not wish to disclose the amount.
- 20 Standard deviation £46,319. This average is across all clients, including those who reported debt and those who did not.

- 21 P=.021
- 22 P=.019
- 23 A planned discharge occurs where a client has completed a course of treatment at the clinic of sufficient length to the satisfaction of the individual and clinician. This may entail attending the full number of sessions recommended in the Care Plan created at assessment, or an earlier termination if the client feels that they have received sufficient support from the service.
- 24 Citizens Advice Scotland is a separate organisation.
- 25 If their advisors come across issues which are particularly relevant to social policy, they complete bureau evidence forms which are then fed into this database.
- 26 Now Solas Cymru. The organisation provides services to those who are vulnerable, homeless or at risk of homelessness.
- 27 The Insolvency Service explained to us that the term 'rash speculation' is likely to describe instances where someone invests money in circumstances where the risks are so great that a reasonable person would consider the investment to be both rash and hazardous. Investing in risky shares would be termed a speculation rather than a gamble. The Insolvency Service confirmed that rash speculation leading to bankruptcy is a much rarer occurrence than gambling, and although it may be grouped with 'gambling' is unlikely to be a significant factor in numerical terms.
- 28 Debt Relief Orders are suitable for people who do not own their own home, have little surplus income and assets and less than £15,000 of debt. They are run by the Insolvency Service in partnership with debt advisers. An order lasts for 12 months. In that time creditors named on the order cannot take any action to recover their money without permission from the Court. At the end of the period, if the individual's circumstances have not changed he/she will be freed from the debts that were included in the Order.

Table 3: BGPS 2010 and combined SHes and HSE 2012: items relating to the financial impact of gambling on an individual (per cent of problem gamblers responding positively to a question)

Screen	Item	BGPS 2010						Combined HSE and SHes 2012					
		Total Respondents		Men		Women		Total Respondents		Men		Women	
		%	Population ³	%	Population	%	Population	%	Population ⁴	%	Population	%	Population
PGSI ⁵	Bet more than could afford to lose	74.4%	544,203	76.7%	436,037	63.2%	98,066	74.4%	262,516	77.7%	224,635	62.3%	37,251
	Gambling caused financial problems	63.5%	464,474	64.9%	368,955	61.1%	94,808	64.9%	228,996	63.4%	183,293	70.1%	41,915
	Borrowed money / sold items to finance gambling	58.0%	424,244	60.3%	342,804	47.4%	73,550	43.6%	153,840	43.4%	125,472	44.3%	26,489
DSM-IV ⁶	Relied on others to help with a financial crisis caused by gambling	44.7%	326,960	45.8%	260,372	38.9%	60,361	40.3%	142,196	40.0%	115,642	41.8%	24,994

Table 4: Bases⁷

	All respondents			Problem gamblers		
	Total	Men	Women	Total	Men	Women
BGPS 2010	7,670	3,510	4,160	78	60	18
HSE SHes 2012	10,845	4,801	6,044	64	51	13

³ Population estimates for BGPS 2010 based on the Population Estimates for UK, England and Wales, Scotland, Mid-2010

⁴ Population estimates for Combined HSE and SHes 2012 based on the Annual Mid-year Population Estimates for England 2012, and General Register Office for Scotland 2012 Mid-year Population Estimates

⁵ Endorsement includes respondents who answered 'sometimes', 'most of the time' or 'almost always'

⁶ Endorsement includes respondents who answered 'occasionally', 'fairly often' or 'very often'

⁷ Base size indicates the actual number of respondents who participated in each survey

Annex B: Further analysis of data from CAB, Newport and Pen Yr Enfs, Cardiff

Source: CAB, Newport and Pen Yr Enfs, Cardiff (approximately April 2012 to April 2014 and June 2013 to August 2014 respectively)

Table 1: Bases - number of clients disclosing gambling and debt

CAB	Debt	No debt
Cardiff	31	26
Newport	67	[-]
Total	98	26

Table 2: Average debt in each age band

The table below collates the data from different age groups within the sample who disclosed gambling and debt. The youngest age recorded was 18-years-old, with the eldest aged 69. While 17 per cent of debtors reported their debts to be 'unknown', the average debt across age bands has been calculated and added to the table.

Age band	Average debt amount (£)(excluding unknown)	Unknown amounts Total
16-24	6,865	3
25-34	16,652	12
35-44	43,800	5
45-54	17,875	3
55-64	18,000	0
65-74	5,000	0
75+	0	0
Total	18,032	23

Figure 1: Gambling and debt across age bands

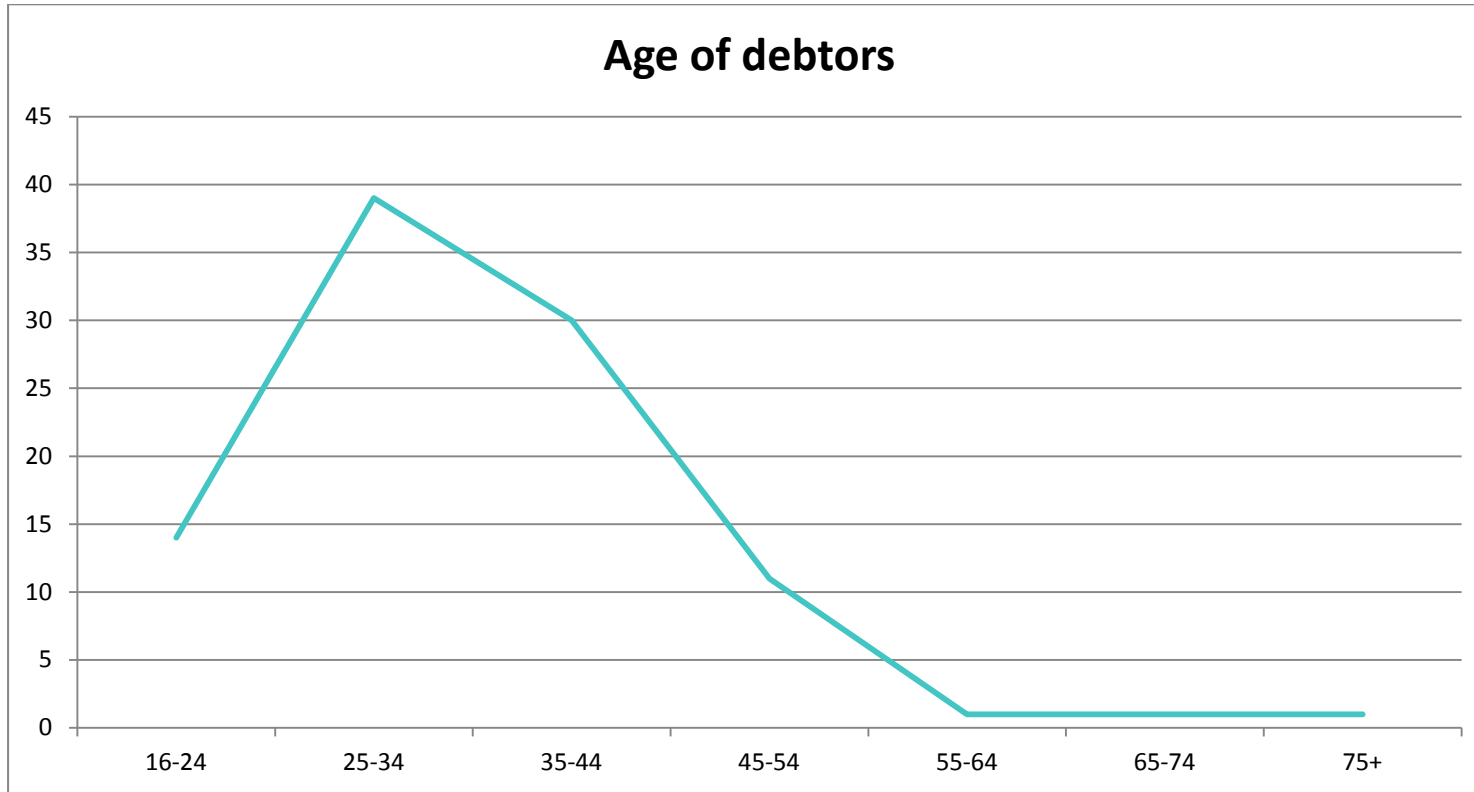


Figure 2: Debt amount across age and gender

The chart below shows an analysis of the age and gender of those disclosing gambling and debt, together with the level of debt reported. While the majority of those disclosing gambling and debt at both organisations were male, it is interesting that those men and women in the 35 to 44-year-old age band report equal levels of debt.

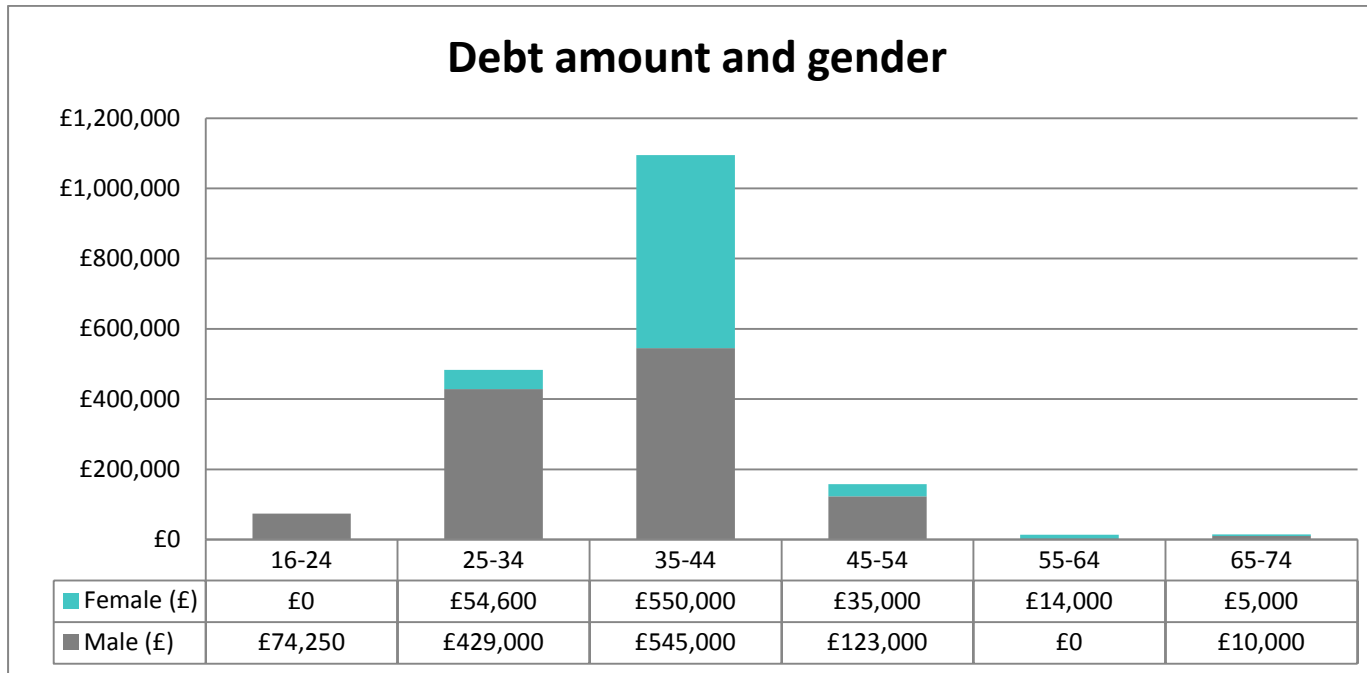


Table 3: Gambling and debt by mode

Those who disclosed gambling and debt against a particular mode of gambling are represented in the table below. It shows that almost half reported that they gambled online and over a third gambled in betting shops.

Online	Betting shops	Casinos	Arcades	Bingo halls
30 (48%)	23 (37%)	10 (16%)	5 (8%)	3 (5%)

Figure 3: Gambling modes by age band

The chart below shows the mode of gambling and age band of those disclosing gambling and debt. Gambling in betting shops and online is the most commonly reported mode across those aged 16 to 44 years-old.

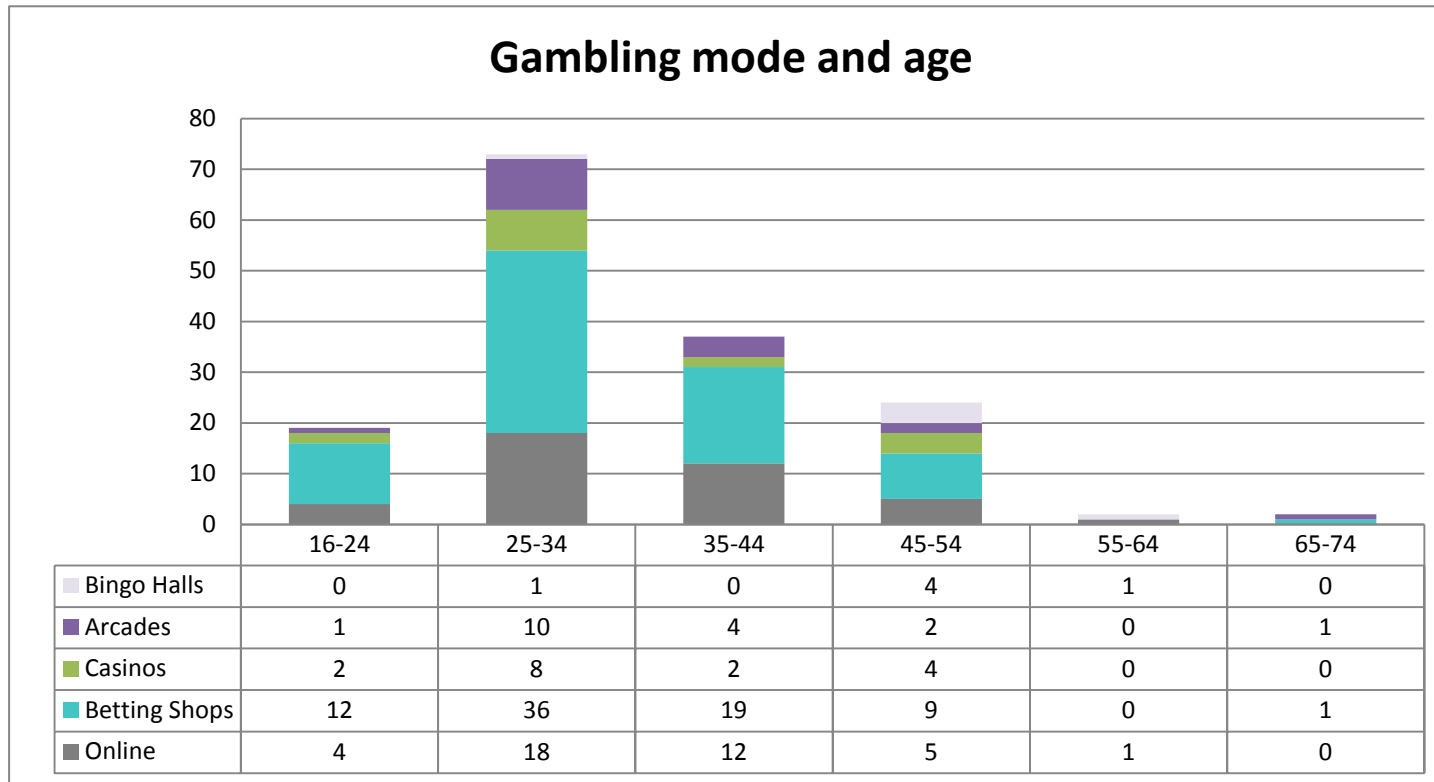


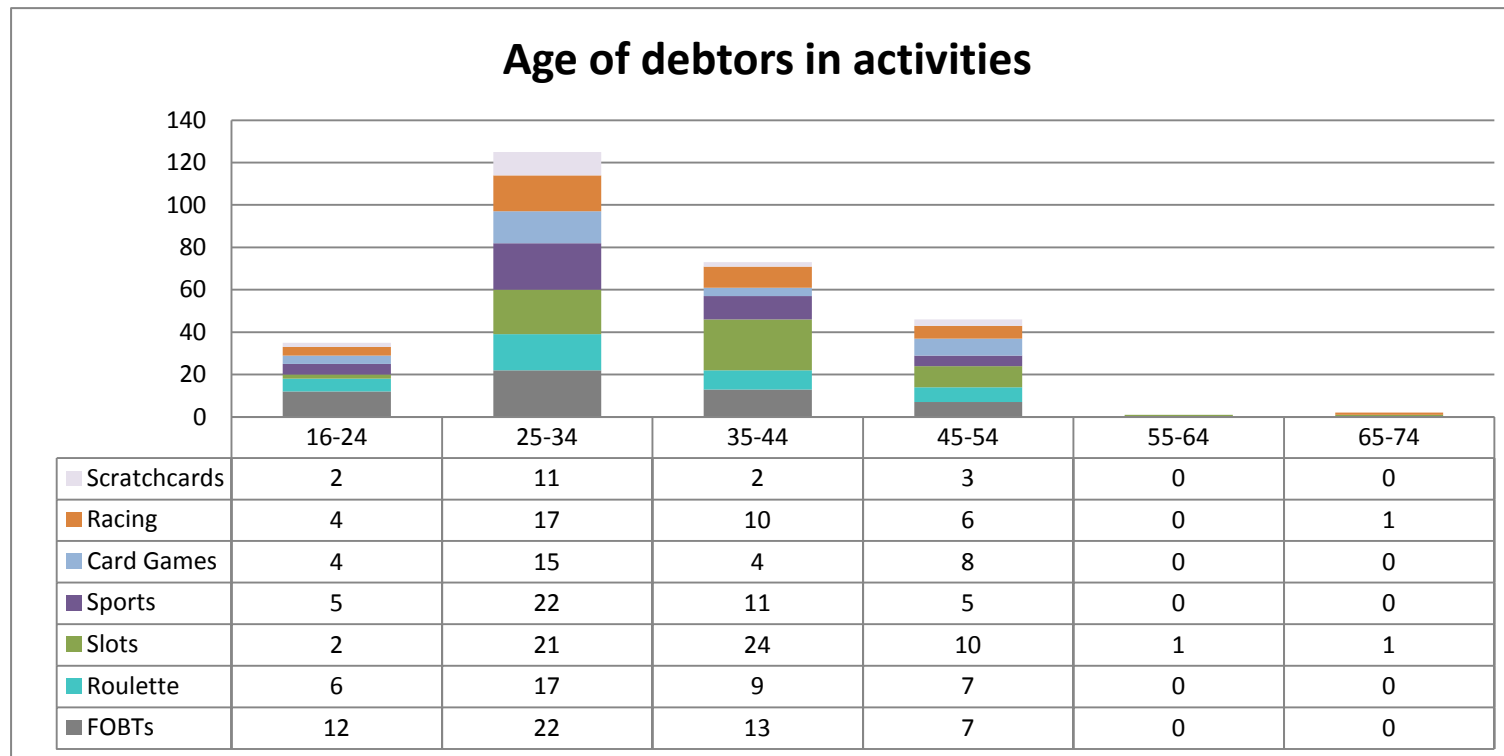
Table 4: Gambling and debt by activity

As the table shows, playing on Fixed Odd Betting Terminals (FOBTs), roulette, slots and betting on sports are the activities most participated in by those disclosing gambling and debt.

	FOBTs	Roulette	Slots	Sports	Card Games ¹	Racing ²	Scratchcards
Total	28 (45%)	27 (44%)	19 (31%)	19 (31%)	20 (19%)	15 (24%)	16 (26%)

Figure 4: Age of debtors in activities

The chart below shows that of those disclosing gambling and debt, most age bands participate in a variety of gambling activities.



1 Includes blackjack and poker

2 Includes horse and dog racing; and just 'racing' in the data from the Cardiff bureau