

A Unique Position and a Difficult Challenge:

Banks' Support of Individuals Experiencing Gambling-Related Financial Harm

Research Report 15. February 2024

“

I think it needs to be caught before it becomes a problem. I think once it becomes a problem, it's too late.” (Participant 5)



Report prepared by Professor Julia Hörnle, Dr Janelle Jones, Rita Kenkwanzi and Elizabeth Quinn¹, Queen Mary University of London

Suggested Citation

Hörnle, J., Jones, J. M., Kenkwanzi, R., & Quinn, E. A. (February 2024). A Unique Position and a Difficult Challenge: Banks' Support of Individuals Experiencing Gambling-Related Financial Harm. Queen Mary University of London.

¹ Contact **Professor Julia Hörnle**, Centre for Commercial Law Studies, Queen Mary University of London
j.hornle@qmul.ac.uk

Table of Contents

- 1. At a Glance
- 2. Summary of Research
- 3. Overview of the Report
- 3. Introduction and Methods
- 4. Lived Experience Perspective on Bank Gambling Blocks and Other Measures by the Banks
- 5. Legal Obligations in Respect of Bank Gambling Blocks
 - 5.1 The New Consumer Duty and Regulatory Context
 - 5.2 Financial Ombudsman Services- Decisions by the Financial Ombudsmen
- 6. Bank Gambling Blocks and Banking Support Offered
 - 6.1 Perspectives of the Banks
 - 6.1.1 Overview Table: Measures Taken
 - 6.1.2 Design and Scope of the Gambling Block
 - 6.1.3 Gambling Spending Limit/Deposit Limit Tool
 - 6.1.4 Personalization and Customization of the BGB
 - 6.1.5 Giving Customers the Option of a Permanent BGB
 - 6.1.6 Informing Customers about the BGB and Gambling Support Offered
 - 6.1.7 The Dilemma: When is the right point of intervention?
 - 6.1.8 Difficult Conversations and Training of Customer Facing Colleagues
 - 6.1.9 Financial Statements and Spending Analysis
 - 6.1.10 Monitoring the Use of the BGB
 - 6.1.11 Loopholes of the BGB
 - 6.1.12 Operational Successes and Challenges
 - 6.1.13 Referral to External Support and Direct Referral Systems
 - 6.2 Summary of the Main Challenges Faced by Banks
 - 6.3 Overview of the Bank Gambling Blocks- Tables
 - 6.4 Accessibility of the Information
- 7. Recommendations
 - Recommendations to Regulators
 - Recommendations to People with Lived Experience of Gambling Harms
 - Recommendations to Banks
- Annex I Questions (Banks)
- Annex II Questions (Lived Experience Participants)

1. At a Glance

The aim of the project

The overall aim of this project has been to consider how banks could contribute to minimizing serious gambling-related harm suffered by their customers and what measures they reasonably can and should take to achieve this aim.² We wanted to know what measures banks currently take, in order to support their customers with gambling problems. Our purpose was to find out what best practices have already been adopted by different banks, and how existing measures can be optimized to prevent gambling harm. We also wanted to find out what those most affected, namely people with lived experience of serious gambling harms, thought about the usefulness of these measures and what in their view would improve their positive impact.

Bank Gambling Blocks

Our research initially focused on one tool which is already used by a number of banks in the UK, namely the Bank Gambling Block (BGB) which can be switched on by a banking customer in order to block gambling transactions, when they pay by debit or credit card. In the UK, Monzo and Starling were early adopters of gambling blocks in 2018. Since then, many banks have followed suit and the gambling block is now offered by about 18 banks in the UK.³ BGBs work by identifying a gambling transaction through the Merchant Category Code (7995)⁴ used by gambling operators to classify the nature of the transaction. The authorisation process used by credit and debit cards will decline a request to authorize payment when attempted by an operator using that code for the transaction, if a BGB is in place. On the whole, these blocks work, but there are various ways to circumvent the BGB. First, the customer can avoid the block through using a non-card based payment mechanism, such as faster payments or a third party e-wallet/digital wallet (for example Paypal or Skrill) or cash. Secondly, especially foreign gambling operators may dishonestly miscode the transactions under a different MCC. The BGB is therefore limited to card transaction properly coded as gambling.

The BGB is usually activated by the customer on the mobile banking app, or by contacting the bank's customer support team who can activate the block on request. The BGB will then last indefinitely until it is deactivated by the customer, or until the card is replaced. There is usually a delay between the customer's deactivation and the ability to use the card for gambling transactions again. This is called the "cooling off" period (which varies in duration from bank to bank) and its purpose is to protect the card user from their own urge to gamble.

The key purpose of the BGB is to assist consumers to control their gambling, firstly by blocking transactions, and then by providing the cooling off period, which gives the customer time to reflect and possibly reconsider gambling. It therefore gives the customer pause to think and therefore functions as *friction*. However, the BGB is not the only support measure banks can offer and it is best practice to embed the BGB in a range of support tools, processes and training measures.

² Given the small funding and the need to focus our research narrowly, we did not examine the topics of responsible lending, gambling on credit, and affordability of gambling. For the same reason we did not look at the wider ecology of payment services such as digital wallets.

³ <https://www.GamCare.org.uk/news-and-blog/blog/everything-you-need-to-know-about-bank-gambling-blocks/>

⁴ Betting (including Lottery Tickets, Casino Gaming Chips, Off-track Betting and Wagers at Race Tracks)

Our three most important findings:

1. *An important tool with limited effect enhanced by combining it with other measures.* Bank Gambling Blocks are no silver bullet to prevent gambling-related financial harm, but the BGBs have led to the emergence of a range of support measures developed by the banks leading in this field. These measures can be grouped into (a) tools, (b) opening lines of communication by banks to address problem gambling and signposting to external support organisations, (c) training measures for staff to raise awareness and help spotting gambling problems and (d) monitoring the use of these support measures and evaluating & improving their effectiveness.

2. *Banks' unique position of opportunity.* Because of the hidden nature of gambling, where frequently family and friends of an affected problem gambler are not aware, the banks are in a unique position to help, since banks have (some of) the data about gambling spend, income and transactional meta-data for gambling (for example during night-time and speed of expenditure). This puts them in a unique position where they have an opportunity to spot problems and intervene, even if this is limited to communicating with the customer, pointing out spend analysis, offering tools, and signposting an affected person to external support. Banks are also in a better position than gambling operators to judge a customer's vulnerability, as many gamblers play with multiple operators.

3. *Personal interaction or automated, targeted support?* Reflecting current changes in banking, banks, which have developed best practices in supporting individuals with gambling-related harm, have recently done this in one of two ways. Some banks have increased personal interaction with their customers affected, through direct face-to-face interaction (on the phone, by live chat, messaging, or in branch), emphasizing the effectiveness of personal interaction and care. Other banks focus more on the automation of remote support, without personal interaction in the context of mobile and online banking, emphasizing that this kind of support is immediate and targeted. These banks analyse transactional data and then automatically target remote communication specific to customers affected, in real-time. Examples for this are: advertising the availability of the BGB to customers with very heavy gambling spend through in app messaging, or sending a SMS to the customer's mobile while they are engaging in a binge gambling session (e.g. in the middle of the night).

2. Summary of the Research

This Report is the output of a six months' project carried out by the Multi-disciplinary Research Hub on the Prevention of Online Gambling Harm at the Digital Environment Research Institute of Queen Mary University of London.⁵ The lead researchers are Professor Julia Hörnle⁶ and Dr Janelle Jones⁷. The funding of this project was small but entirely independent: the project has been funded by Queen Mary University of London's Humanities and Social Sciences Impact Fund. This Report presents the findings and is addressed to three user groups: banks and credit card providers, policy-makers and regulators in the financial field, and people with lived experience of gambling harm.

The United Kingdom (UK) has one of the largest gambling markets in the world. The total Gross Gambling Yield⁸ in the period April 2022-March 2023 made by gambling operators licensed in GB was £15.1 billion, which is a 6.8% increase on the previous year.⁹ The Gambling Commission Industry Statistics also reveal that online gambling is increasing. The total GGY for remote Casino, Betting and Bingo licensees has increased 13.3% since the period of April 2019 to March 2020.¹⁰ Added to this is the unknown volume of illegal gambling, with *out of jurisdiction* operators.

Gambling, in 2023, is a normalized entertainment activity in Great Britain. Just under half the population have engaged in any form of gambling activity in the previous month, namely 44%, in the year up to March 2023. This percentage has remained stable compared to the previous year. About 1 in 4 people in Great Britain have gambled online (26%) in the year up to March 2023, which is roughly the same as in the previous year. Discounting the people who have only participated in the National Lottery draws, just under a third of the population (30%) have engaged in any form of gambling, and just under 1 in 5 have gambled online (18%) in the March 2023 telephone interviews.¹¹ However online participation has significantly increased in the last 8 years from 2015-2023 (the period of the Gambling Commission's tracking through quarterly telephone surveys).¹²

For a significant minority of people, however, gambling can become a problem and lead to very serious harms. These gambling harms include financial indebtedness¹³, mental health-related harms such as depression and anxiety¹⁴ and increased likelihood of suicidality¹⁵, interpersonal

⁵ <https://www.qmul.ac.uk/deri/networks/gambling-harm-multi-disciplinary-prevention-research-hub/>

⁶ <https://www.qmul.ac.uk/law/people/academic-staff/items/hornle.html>

⁷ <https://www.qmul.ac.uk/sbbs/staff/janellejones.html>

⁸ GGY is defined as the total turnover (takings) minus payments made to customers as winnings

⁹ Great Britain Gambling Commission, Industry Statistics November 2023

¹⁰ *ibid*

¹¹ Gambling Commission, Statistics on participation and problem gambling for the year to March 2023, <https://www.gamblingcommission.gov.uk/statistics-and-research/publication/statistics-on-participation-and-problem-gambling-for-the-year-to-march-2023>

¹² Gambling Behaviour 2015 to 2023: Quarterly telephone survey trends, Key Conclusions, <https://www.gamblingcommission.gov.uk/about-us/guide/page/gambling-behaviour-2015-to-2023-key-conclusions>

¹³ TB Swanton, SM Gainsbury, (2020) "Gambling-related consumer credit use and debt problems: A brief review" *Current Opinion in Behavioral Sciences*, 31, 21–31. <https://doi.org/10.1016/j.cobeha.2019.09.002>

¹⁴ S Awaworyi Churchill, L Farrell (2018) "[The impact of gambling on depression: New evidence from England and Scotland](#)," *Economic Modelling*, Elsevier, vol. 68(C), pages 475-483; K Sundqvist, P Wennberg "Problem gambling and anxiety disorders in the general swedish population - a case control study" (2022) 38 (4) *Journal of Gambling Studies* 1257-1268, <https://doi.org/10.1007/s10899-022-10117-7>

¹⁵ H Wardle et al "Problem gambling and suicidality in England: secondary analysis of a representative cross-sectional survey" (2020) 184 *Public Health* 11-16 <https://doi.org/10.1016/j.puhe.2020.03.024>

harms such as domestic violence or relationship breakdown¹⁶, and societal harms caused by criminal activity such as theft and fraud¹⁷. These harms have all been present in some of our cohort of participants with lived experience in this research project (Section 4).

In practice, it is difficult to measure the prevalence of gambling-related harms in the general population, and thus measure the negative impact of gambling, and to balance it against positive aspects (such as its cultural or entertainment value).

Public Health England found in their Report published in May 2023 that 4.4% of men and 1.1% of women of the total adult population are engaging in at-risk or problem gambling, which means a combined total of at-risk/problem gambling prevalence of 2.8 %. Looking at problem gambling alone¹⁸, 0.5% of the adult population in England are affected. It is striking that for those individuals who take part in *online* gambling activities, 18.2% of participants were either at-risk or problem gambling.¹⁹

By contrast, the Gambling Commission found in its regular, quarterly telephone surveys (for the year up-to March 2023)²⁰ that the problem gambling rate has been relatively stable at 0.3%.

However, other research indicates *higher rates of problem gambling*. A recent survey of gambling prevalence across the whole of Great Britain (done on behalf of the charity Gamble Aware by YouGov) found the number of problem gamblers to be much higher at 2.8% of the population (approximately 1,440,000 adults).²¹ This result is in line with new figures released by the Gambling Commission (2023), that 2.5% of the British population is suffering from problem gambling²² (1.3 million people in Great Britain) using a changed and improved methodology.²³

Given the potential scope and harms associated with problem gambling, there have been renewed calls for solutions and supports from gambling operators and financial institutions.

¹⁶ T Irie, K Yokomitsu "The Impact of Problem Gambling on Families and Relationship Partners: A Scoping Literature Review" January 2022 Journal of Gambling Issues <https://doi.org/10.1016/j.addbeh.2022.107460>

¹⁷ A Adolphe et al "Crime and Gambling Disorders: A Systematic Review" (2019) 35 (4) Journal of Gambling Studies 395-414 <https://link.springer.com/article/10.1007/s10899-018-9794-7>; S Ramanauskas "Crime and problem gambling: A research landscape" (2020) Report of the Commission on Crime and Problem Gambling. London: Howard League for Penal Reform; April 2023 Final Report <https://howardleague.org/wp-content/uploads/2023/04/Final-report-Commission-on-Crime-and-Gambling-Related-Harms-Howard-League-for-Penal-Reform-26-April-2023.pdf>

¹⁸ PGSI 8+

¹⁹ Health Survey for England, 2021 Part 2, published 16. May 2023 <https://digital.nhs.uk/data-and-information/publications/statistical/health-survey-for-england/2021-part-2/gambling#prevalence-of-at-risk-and-problem-gambling-dsm-iv-and-pgsi-scores>

²⁰ British Gambling Commission, Statistics on participation and problem gambling for the year to March 2023, Published 11. May 2023 <https://www.gamblingcommission.gov.uk/statistics-and-research/publication/statistics-on-participation-and-problem-gambling-for-the-year-to-march-2023>

²¹ B Gunstone, K Gosschalk, Zabicka, & C Sullivan-Drage (2022). Annual GB treatment and support survey 2021. London, UK: YouGov on behalf of GambleAware. Available from: https://www.begambleaware.org/sites/default/files/2022-03/Annual%20GB%20Treatment%20and%20Support%20Survey%20Report%202021%20%28FINAL%29_0.pdf

²² PGSI score of 8+

²³ Gambling Commission (Nov 2023) <https://www.gamblingcommission.gov.uk/statistics-and-research/publication/gambling-participation-and-the-prevalence-of-problem-gambling-survey-final>

The thinking behind this project was that while gambling operators *should do more* to prevent the immense burden of gambling-related harm, it is notoriously difficult to effectively regulate operators in such a way that serious gambling related harm is in fact prevented, partly because the activity can be provided illegally and remotely across national borders, and the inherent limitations of national regulation.²⁴ This is not an argument against improving gambling regulation, but an argument that other stakeholders should play a part. Therefore, there is an urgent need to examine additionally what other stakeholders, such as payment services, *reasonably* can and should do to prevent such harm, even though they are not directly causing this harm or are not directly profiting from the gambling activities. They merely provide payment mechanisms and banking facilities, thus *indirectly* facilitating gambling transactions.²⁵

Consequently, the research consisted of three parts: first, we interviewed participants with lived experience of serious gambling harms in order to understand the seriousness of *their* individual harms and their perspective on banking, secondly we carried out legal research in order to understand the obligations of banks in respect of how they conduct the business of payment services and thirdly we interviewed a number of banks in order to understand how they deal with the issues raised by gambling-related harm, identifying best practice standards.²⁶

One interesting finding here is that by and large, the insights from the experience of the banks and the lived experience point in the same direction of how better protection can be achieved. In some areas, however the perspectives also clash.

The seriousness of the harm stemming from problem gambling. The Lived Experience Participants interviewed have all suffered very serious gambling harms, including life-changing gambling-related financial harm, which has meant isolation, loss of close relationships, loss of their career, indebtedness, homelessness, serious mental health issues, including depression leading to suicide attempts, a criminal record and imprisonment.²⁷ The devastating consequences of their gambling mean that they had to face a number of serious, existential life-problems from which they had to extricate themselves²⁸ and therefore they needed different types of support, which can only be given by specialised external support agencies. This type of support clearly cannot be provided by a bank and there may be lack of awareness about how to access it.

A unique position: how banks can contribute to recovery and potentially prevent the most serious types of harm. However, there are two crucial, supportive roles banks *can* play in this respect: realisation of the crisis and effective referral to these external agencies²⁹.

First, banks can discover that someone has a serious gambling problem and this knowledge can be used to help their affected customer to realise that they have a gambling problem on which the customer needs to act. Because of the hidden and secret nature of gambling it is difficult for affected gamblers to come to this realisation by themselves, as they are caught up in their own

²⁴ See J. Hörnle and B Zammit, *Cross-border Online Gambling Law & Policy* (Elgar 2010)

²⁵ We are not covering credit and responsible lending

²⁶ For more details about our methods and the thinking behind them, see Section 3 of this Report.

²⁷ See p.19

²⁸ See p.19

²⁹ Examples are GamCare, the National Gambling Support Network, Gamblers Anonymous, Gordon Moody, National Problem Gambling Clinic, the Samaritans and others

“deep hole”.³⁰ The nature of banking is such that the banks are in a unique position to help some affected customers in this realisation, and in taking the first step towards recovery.

The banks can do this by reviewing their customers' gambling spend and having trained staff opening lines of communication.³¹ One bank employee told us that sometimes when a customer is told how much they have spent on gambling this creates that crucial moment of self-recognition and triggers a realisation that they need to seek help.³² Likewise, effective messaging and spending tools, actively targeted at customers affected by serious gambling harms, detailing gambling spend and losses may be another key tool for this.³³ The earlier in a gambling crisis this realisation is achieved, the more harm can be prevented. These techniques (opening lines of conversation, messaging and gambling spend analysis) will of course not always be successful, but may help preventing some of the banks' vulnerable customers from hitting rock bottom, with the tragic outcomes this entails.

Secondly, the banks can provide signposting and even warm referrals (whilst the customer is in conversation with them) to external, specialist support organisations.³⁴ It has been shocking how difficult it has been for our Lived Experience Participants to find the specialist help they need when they needed it³⁵. Frequently, affected gamblers simply do not know where to turn for help, because of their isolation and the hidden nature of gambling. Some banks are now providing excellent and pro-active referral services.³⁶ Again best practices in this area are key to get the right support to affected customers at the right time and the banks should monitor what approaches work best.

The challenge of communicating with customers affected by serious gambling harms. One of the main challenges identified by both the banks and Lived Experience Participants was the hidden and isolating nature of serious problem gambling³⁷, and the self-denial³⁸ which affected gamblers exhibit. This makes the task for banks of providing support extremely challenging and the banks have deployed two best practice methods to overcome this difficulty of finding opening lines of communication. First, they engage in staff training, frequently based on materials provided by GamCare, which includes communication techniques, addressing bias and understanding the nature of the problem³⁹. Secondly, they use automation in order to *target* information about support to customers affected by problem gambling, including information about gambling spend, offering support and information about external support.⁴⁰

Embedding the BGB with other tools and support measures. Some Lived Experience Participants expressed the view that the purpose of the BGBs was unclear and that, in their opinion, they are more a tool for moderate gamblers who wish to reduce their spend over short periods and more of a money budgeting tool, which is of limited help to a customer who has gone very far down the

³⁰ As expressed by one participant, p.19

³¹ See pp. 26, 50, 53

³² See p.49

³³ See p.52

³⁴ See p.56 and FN 29

³⁵ See p.20

³⁶ See p.56

³⁷ See p.20

³⁸ See p.36

³⁹ See p.50

⁴⁰ See p.52

“big hole” of compulsive gambling.⁴¹ This tallies with the acknowledgement by the banks that the BGB cannot prevent harmful gambling or produce self-imposed abstinence because of the loopholes inherent in the technology⁴². Instead, it provides friction⁴³ and is one tool which banks can offer⁴⁴ *in addition to other tools and support*, as well as referral to external agencies. The introduction of the BGBs as a tool has crystallized a discussion within the customer support and vulnerability teams in banks about the support they can offer to customers affected by serious gambling harms, and, as a consequence, this has led to the emergence of *processes and tools around* the vulnerability of customers suffering serious gambling harms. Therefore, one of the most important findings of this research is that for the BGB to be effective, it must be embedded in other measures (including other tools).

These measures can be categorized into four elements: 1. Tools, 2. Support, 3. Analysis and 4. Staff Training/Empowerment. The tools include the BGB, but also other tools (for example, the option of blocking online transactions or gambling spend analysis tools). Internal support should entail opening lines of communication with customers who suffer from gambling harms, and exploring with the customer what the bank can offer in terms of tools *for the specific customer*. Furthermore, support means signposting and referral to external, specialist gambling support agencies.⁴⁵ Analysis is about monitoring the data about the use of the tools and collecting transactional data. Finally, staff training is key, both in helping staff to spot problematic gambling, to lead challenging conversations, and to equip them with the understanding and communication skills to do so.⁴⁶

Designing friction into the Bank Gambling Blocks: how long should the cooling off period be? Some of the Lived Experience Participants criticized the short cooling off period (48 or 72 hours) as not providing enough friction and as being rather arbitrary and without input by people with lived experience.⁴⁷ The question whether they could offer a 3 month cooling off period, thus increasing the friction significantly, has also been raised by the banks. The length of the cooling off period (and implicitly the amount of friction) is a topic where the view of lived experience and the bank's approach are in conflict. The banks regarded the friction built in the BGBs as potentially being contrary to their contractual and regulatory obligation as a bank, which is allowing their customers to spend their money on what they want and providing fast and convenient payment services. For this reason, banks are reluctant to have long cooling off periods or even a permanent block⁴⁸ By contrast Lived Experience Participants considered the length of the cooling off period from the viewpoint of compulsive gambling- a person affected by serious gambling harms must be protected from herself, the more friction the better. Ultimately this conflict can only be solved through a dialogue between the banks and people with lived experience and ensuring that banking customers are well-informed when activating a BGB and the consequences of doing so.

But it should also be pointed out that some participants commented positively on the usefulness of the BGBs, saying that the urge and compulsion to gamble may be short-lived and that even a 48

⁴¹ See p.22

⁴² See p.44 and following

⁴³ See p.54

⁴⁴ See p.49

⁴⁵ See FN 29

⁴⁶ See Section 6.1

⁴⁷ See p.10

⁴⁸ See pp.44 and 47

hour cooling-off period can give vital pause for thought and therefore adds “peace of mind”.⁴⁹ For some gamblers the BGB may prevent short-lived but *intense binge gambling* leading to significant financial harm, which seems to be source of many complaints to the Financial Ombudsman Service.⁵⁰

The usefulness of BGBs as a tool and linking it with Gamstop⁵¹ and Gamban^{52, 53} One of the criticisms raised by the Lived Experience Participants was that a person in the depth of compulsive gambling would be reluctant to agree to switching on a BGB as she might feel that she needs to gamble to get that next big win.⁵⁴ This problem was also mentioned in our discussions with the banks and is further evidence that the BGB *by itself* is insufficient to help those most in need of support.⁵⁵ The Lived Experience Participants mentioned that *Gamstop* (the national self-exclusion scheme) and *Gamban* (the device-level blocking software) are equally, if not more, important tools. Therefore, the BGBs should be embedded with tools provided by the banks *and* other tools such as *Gamstop* and *Gamban* to which the banks should actively signpost.

Difficulty of finding the BGB and the importance of promoting it. The Lived Experience Participants found the BGBs difficult to locate (within the mobile apps of the banks)⁵⁶ and, likewise from our website searches, we found that information about the BGBs was not always easy to locate⁵⁷. In fact, one of our participants described them as “simple to use but hard to find”. More importantly, a significant number of the Lived Experience Participants said that awareness of the availability of BGBs among affected gamblers is low and that they are not discussed in the community of gamblers outside “safe spaces”.⁵⁸ This insight is important and testifies to the need for greater awareness-raising of BGBs and other tools by the banks and beyond. Promotion campaigns should be used.

How do the banks in practice promote the BGB and help customers finding it? In our interviews with the banks, we raised the issue of promoting the BGBs and some banks were understandably concerned by information overload and the negative sentiment and stigma associated with problem gambling. Our discussions with the banks showed five good practices of promoting the BGB as a tool and *integrating this with additional support* for customers experiencing gambling-related harm.⁵⁹ First some banks have *vulnerability flagging systems* which places a flag on an account of a customer with high gambling spend to be picked up by a customer-facing colleague mentioning the BGB and other support at the next customer interaction. Secondly, *proactive customer support outreach programmes* identifying and contacting vulnerable customers, and informing them of the BGB, other tools and other support. Thirdly *regular advertising campaigns* highlighting the BGB as a useful tool to all customers. Fourthly *targeted communications* within the app, which are only sent to customers who potentially have issues with their gambling, as apparent from transactional data. Finally, one bank mentioned an *immediate, automated response*

⁴⁹ See p.22

⁵⁰ See p.30 and following

⁵¹ <https://www.gamstop.co.uk/>

⁵² <https://gamban.com/>

⁵³ See further GamCare's TalkBanStop initiative <https://www.gamcare.org.uk/talk/>

⁵⁴ See p.22

⁵⁵ See pp. 49-50, 52

⁵⁶ See p.23

⁵⁷ See p.65

⁵⁸ See p.23

⁵⁹ See p.48 and following

of the system where a customer engages in intensive, high-spending *binge gambling*: a text message is sent which asks whether they needed support and the setting of the BGB, which is later followed up by another communication.⁶⁰

*How the Lived Experience Participants envisioned reasonable banking support: red flags triggering intervention.*⁶¹ According to our participants, banks should have *red flags*, which include: customers spending over a certain proportion of their income on gambling, gambling transactions occurring in the middle of the night, a customer lifting the BGB, and customers opening accounts that are used solely for gambling large sums of money.

Intervention suggested included greater signposting to external support providers⁶², and the bank proactively contacting customers to discuss the affordability of their gambling, and highlighting tools available both from the bank and third party tools such as GAMBAN software and GAMSTOP self-exclusion. Many of these red flags and supporting interventions have been implemented by the banks we interviewed as best practices.⁶³

Guidelines harmonising practices across industry. The implementation of measures is inconsistent and there is no industry-wide standard and progress is slow and patchy. We recommend that regulators should set up guidelines providing clearer standards in this area to make the new Consumer Duty more meaningful. As we discuss below⁶⁴, currently the implementation is left to the bank themselves. A stronger Consumer Duty is needed to protect affected customers consistently across the board. Our recommendations may form the basis for developing such guidelines of minimum standards of what the banks should do.

Non-compliance with money laundering obligations and spotting unusual transactions. Finally, our Lived Experience Participants raised questions about the responsibility of banks to prevent gambling harm connected to fraud and criminal offending, where banks had not complied with their money laundering obligations. If they had complied, the harm which the participants were inflicting on themselves by committing offences such as theft and fraud would have been minimized.⁶⁵

The theme of spotting unusual transactions was also present in our review of a sample of adjudications of the Financial Ombudsman Service. The decisions find that banks should spot patterns of unusual transactions, such as high value payments to gambling operators in a short period of time (for example binge gambling) and should query those transactions and offer some support. Customers were offered small amounts of compensation for distress, indicating that the banks' business conduct had fallen short of the standards expected.⁶⁶

⁶⁰ These are described in detail at p.48 and following

⁶¹ See p.25

⁶² FN 29

⁶³ See p.43

⁶⁴ See p.28

⁶⁵ See p.24

⁶⁶ See p.40

3. Overview of the Report

If you are interested in what our Lived Experience Participants thought about the BGBs and their reflections on the use of the BGBs, including the responsibility of banks to help, read Section 4 which contains a snapshot of the lived experience perspective. This Section sets out what is needed and offers valuable insights from the perspective of the lived experience.

The next part of the narrative is what the law obliges the banks to do. If you are interested in the legal position and in particular the introduction of the new Consumer Duty and its implications for supporting vulnerable customers, this is contained in Section 5.1. Section 5.2 contains a review of a sample of the Financial Ombudsman Decisions related to gambling and sets out the Ombudsmen's views on what constitutes reasonable conduct by the banks in terms of gambling support before the introduction of the new Consumer Duty (which only came into force on 31. July 2023). We summarize the legal analysis in a blue box summary at the beginning of each sub-section.

We then tell you what some of the banks leading in terms of their customer service standards for gambling support do. If you are interested in the best practices of the banks which came out of our bank interviews, we recommend that you go to Section 6. We start this section with an overview of the measures taken by some of the banks in terms of tools (including, but not limited to the BGB) and personal support. The aim of this section is threefold: first to highlight best practices, secondly to recommend how measures should be improved in the light of the lived experience input and thirdly to detail the banks' commercial and operational perspective. Its purpose is not to assess the state of play across the whole banking sector, as our sample of banks was far too small for that.

Section 7 contains our Recommendations resulting from this research. There are recommendations for policy-makers, people with lived experience and the banks. As to the last group the recommendations are intended as a basis for the formulation of Guidelines, we hope!

3. Introduction and Methods

This research project evolved from our discussions since 2022 at the Multidisciplinary Research Hub for the Prevention of Gambling Harm at Queen Mary University of London.⁶⁷ The aim of our Research Hub is to look at harm prevention in gambling holistically, and with this project we wanted to examine what the payment industry (with a focus on banking services) can reasonably contribute to this aim. As one of our Lived Experience Participants has said, gambling and banking is all about money, and moving money.⁶⁸ This raises the question of how banks should prevent or minimise serious gambling related financial harm by offering support and tools to customers affected. The answer to this question depends partly on systems and technology used, partly on the nature of the relationship between the banks and their clients, and partly on the manifestations of compulsive gambling. We therefore thought a multi-disciplinary approach, involving both psychology and law, was necessary to answer this multi-faceted question.

This Report and its findings stem from a 6-month project (June-November 2023), funded by Queen Mary University of London's Humanities and Social Sciences Impact Fund. The research was carried out with the assistance of GamCare, an independent UK charity for raising awareness about gambling harms and providing support to those affected. GamCare involved us in their Gambling-Related Financial Harm networking events and Insight Workshops. We would like to express our sincere gratitude for their helpful assistance. The research was the sole responsibility of Queen Mary University of London, and any errors and omissions remain our own. The research was funded by the HSS Impact Development Fund at QMUL and we were assisted by two of our graduates as research assistants and co-authors of this Report, Rita Kenkwanzi and Dr Elizabeth Quinn.

One important focus of the research was the working of Bank Gambling Blocks (BGBs), their effectiveness and how they could be improved, in order to reduce harm. While our questions largely focused on the BGBs and their modalities, our interviewees (both the Lived Experience Participants and the banks) talked about other tools and support measures embedded with the BGBs, as equally, if not more important. The most significant findings relate to these measures which wrap around and complement the BGBs.

The research has had three strands: 1. Website searches and structured interviews with banks; 2. Semi-structured interviews with persons with lived experience of serious gambling harms ("Lived Experience Participants") and 3. Legal and regulatory analysis.

1. Structured Interviews with Banks

First, we referred to the list of banks providing a BGB on GamCare's website.⁶⁹ We queried the information on the websites using 7 key questions on the accessibility and ease of use of the BGBs. We captured the information through web searches, and organized it under the framework of these 7 questions, providing a comparative overview of the BGBs of 17 banks⁷⁰ before we started

⁶⁷ <https://www.qmul.ac.uk/deri/networks/gambling-harm-multi-disciplinary-prevention-research-hub/>

⁶⁸ (Participant 17)

⁶⁹ <https://www.gamcare.org.uk/news-and-blog/blog/everything-you-need-to-know-about-bank-gambling-blocks/>

⁷⁰ For one bank we were unable to find the information.

the interviews. These tables⁷¹ are included in this Report under section 6.3 “Overview tables of Bank Gambling Blocks”.⁷²

Secondly, informed by the information on the banks' websites and our participation in the discussions of GamCare's excellent Working Group on gambling-related financial harm, we produced a list of 18 closed, narrowly focused questions⁷³ which we put to representatives of the participating banks. The questions focused on five themes, namely the BGB and how it works; modalities of the BGB; promoting and monitoring the BGB; circumvention of the BGB and other measures of support. We approached 12 entities in the banking sector, 8 agreed to participate, but in the timeframe available only 6 entities (five banks and one other entity) agreed to answer our questions and, thus we conducted 6 interviews. We agreed to keep the identity of all participants confidential. We sent the questions beforehand and then conducted the interview remotely on Teams, scheduling 60-90 minutes. While the questions provided the structure to the interview, we let participants talk about the wider context for a better understanding about contextual issues. We recorded the interviews and then produced a summary of the answers. From these summaries we produced a thematical synthesis of all the answers in section 6.1 “Perspectives of the Banks”. The purpose of this part of the research was to examine 1) the banks' experience (both in terms of challenges and successes) of providing a BGB and supporting people with lived experience of gambling harms; 2) the thinking behind the BGB and its design and how to embed it in support measures; and, finally 3) to identify “best practices” from the viewpoint of the banks leading in the field of gambling support.

We would like to say thank you to the bank employees who have taken the time out of their busy day to speak to us and share their views on gambling support and who have been very motivated to make a difference to customers experiencing gambling harm.

2. Semi-structured interviews with persons with lived experience of serious gambling harms

We drafted 7 open questions to frame our discussions with participants with lived experience of serious gambling harms and scheduled interviews for an hour's duration. The participants were recruited through GamCare and received a small amount of financial compensation. We asked them about their experience with gambling, their experience with and opinions on the BGBs, their thoughts on the cooling off period, how people should engage with the BGBs and how the BGBs should be changed and what else the banks should do.⁷⁴ We interviewed 18 participants with lived experience and the interviews lasted approximately one hour each. The confidential interviews were recorded, and transcripts produced. We coded the transcripts and arranged the content in themes, summarizing the lived experience around these themes, see section 4. In contrast to the questions we put to banking employees (presenting their professional experience), the questions we put to the participants with lived experience were open, allowing them to tell us about their personal experience without constraining their story.

The purpose of this part of the research was to contrast the views of the banks with the views of persons with lived experience, so that we obtained both perspectives, namely the perspective of those who design and operate the BGBs and the user perspective. One limitation of this method

⁷¹ We updated this information after the coming into force of the new Consumer Duty on 1. July 2023

⁷² We limited this to the websites, as we did not want to open accounts in order to download mobile banking apps

⁷³ See Annex I

⁷⁴ The questions can be found in Annex II

was that the people with lived experience all have been in recovery for a few years, so that the time when they were experiencing gambling harms was a few years ago, while in the meantime the BGBs and other support measures have progressed.

We are very grateful indeed to our 18 Lived Experience Participants who have been generous with their time, and given us their insights, often referring back to painful personal accounts of lived experience of devastating gambling harms. Without them, this research would not have been possible.

3. Legal and regulatory analysis

The third part of the research places the BGB and other support measures in the context of financial regulation and in particular the new Consumer Duty effective from 31. July 2023. A summary of this legal context is provided in Section 5.1 below. The regulator has introduced this new, strengthened duty to ensure better outcomes for consumers and protect vulnerable customers of financial services, including individuals suffering from gambling-related financial harm, but leaves the implementation of the duty to the banks, including business processes, and measures. For example, banks are not mandated to provide a BGB or support measures to a particular standard. The relevant measures and processes are left to be developed in house by each bank, and discussed within the trade body, UK Finance. Despite this lack of prescription, we have seen innovation in the measures developed and the emergence of best practice, driven by individuals committed to supporting vulnerable customers, the ongoing dialogue with GamCare, and driven by considerations in respect of branding and providing competitive customer care services. But progress is patchy and inconsistent because of the lack of guidelines.

Given this lack of regulatory prescription, we were looking for sources of clearer regulatory standards and it is for this reason that we turned to examine a small sample of adjudications of the Financial Ombudsman Services (FOS) with gambling losses as part of the complaint. The FOS was set up under Part XVI of the Financial Services and Markets Act 2000 as an informal and independent alternative to the courts, with the power to settle or adjudicate complaints by users of a number of financial services, including banking and payment services. The adjudications are binding on the regulated business, but not binding on the consumer (who can still go to court). The adjudication essentially considers whether the conduct of the financial entity was fair and reasonable in the light of regulatory and business requirements. The adjudications of complaints involving gambling losses therefore gives an impression of what is fair and reasonable conduct by banks⁷⁵, even though these adjudications are not legal precedent and proceed on limited evidence. Nevertheless, they reflect standards of business conduct, which are relevant to the question of what banks must do in order to support vulnerable customers suffering from gambling harms. A summary of the sample of adjudications is contained in Section 5.2.

⁷⁵ Section 228 (2) A complaint is to be determined by reference to what is, in the opinion of the ombudsman, fair and reasonable in all the circumstances of the case.

4. Lived Experience Perspective on Bank Gambling Blocks and Other Measures by the Banks

Three themes and nine sub-themes were developed that focussed on the experience of gambling harm, use and usefulness of the gambling blocks, and responsibility to help, and what support the banks should provide in the perspective of people with lived experience (see *Table 2*). Each theme is outlined in detail below. To maintain anonymity, each participant is referred to by only a number.

Table 2. Main themes, sub-themes and corresponding codes

Main Themes	Subthemes	Codes
1. Experiencing Harmful Gambling	Escalation and escapism	How gambling started
		Different methods of gambling
		Gambling becoming problematic
		Gambling as escapism
		Online gambling escalates harmful behaviours
		Reaching a crisis point
	Harmful Gambling is Dangerous	Comparison with other types of addiction
		Harmful gambling has severe consequences
		Harmful Gambling can be hidden and secret
		Stigma and shame prevent help seeking
	The Process of Recovery	A choice between life and death
		Asking for, and finding help
		Sharing experience as part of recovery
2. Use and Usefulness of Bank Gambling Blocks	The Cooling Off Period	Pros and Cons of 48 hour cooling off period
		GAMSTOP and Gamban
		Participants' personal use of the blocks
	Unclear Purpose of the Block	When and for whom are these blocks designed
		Lack of understanding of harmful gambling
		It's hard to help gamblers experiencing severe harms
	Simple to Use but Hard to Find	Easy to turn the blocks on
		Locating the blocks in the app
	Lack of Awareness	Awareness of blocks
		Lack of advertising of blocks
		Blocks are only discussed in safe spaces
3. Responsibility to help	A lack of action and the existence of a duty of care	Responsibility: the banks, the gamblers, and the gambling operators.
		A lack of questions and checks
		Duty of Care
		Spotting red flags
		The pros and cons of intervening with customers
	The Unique Position of the Banks	Banks can identify harmful gamblers
		Banks provide the money

		Awareness that banks must tread a fine line and acknowledgement that gambling remains customer's responsibility
--	--	---

Theme 1 - Experiences of Harmful Gambling and Gambling as a Hidden Crisis

For participants, their past gambling behaviour could be characterised in terms of a cycle of increased intensity, recognition of harm, and change. They described this experience in terms of three key components:

(1a) Escalation and escapism. Whilst all participants had different stories of how they began gambling, everyone described an escalation in their gambling behaviour that was often linked to a traumatic event, life change, mental health problem, or a big win:



“...gambling then became a very big problem. Which subsequently got very worse when my father was ill, and then I lost my father as well, and during that time my gambling got very, very bad. I got myself into a lot of debt, and then gambling ended up, I had a career in the bank, and basically it started impacting in my career, and I started stealing money to fund my gambling addiction, and then basically, subsequently, it all came to a head.” (Participant 10)

For some individuals, gambling was a method of escape from difficult circumstances in their ‘real lives’, or to a potential future that held more wins and money. For example, one participant, a full-time carer, would drive 45 minutes to different locations where she would sometimes gamble through the night:



“And I just used to, just go to escape from, running away really from my problems that were going on and not facing up to them. And just thinking that being in this different world where I'm on my own and no one's bothering me or bugging me... It was completely different. And I had the freedom to do what I wanted.” (Participant 14)

How participants experienced both the escalation and escapist elements of gambling was impacted by their gambling method(s) with many finding that transitioning from land-based to online gambling led to an intensification of (often already) harmful gambling behaviours. For many of these participants, the 24-hour access and huge choice of gambling methods provided by online gambling facilitated a level of escapism in a way that the time-limited (travel, closing time) land-based gambling could not:



Online was what I did to escape really. In order to escape to the bookies, I physically had to go somewhere, I was, most of the time for me, I was escaping from the moment that I was sat in.” (Participant 1)

(1b) Harmful gambling is dangerous. For the vast majority of participants, gambling was associated with either a ‘rock bottom moment’ or with a severe deterioration in their finances and mental health. This triggered what many participants described as a life-or-death decision to try to stop gambling. This decision often meant having to face significant consequences including debt, bankruptcy, losing their home, homelessness, poor mental health, thoughts and attempts of suicide, relationships ending, loss of jobs and careers, committing fraud or stealing from work, becoming involved in the criminal justice system and spending time in prison.



And then in, for a four-year period, I’m not proud of this, but it’s part of my journey, part of my story, I committed fraud by abuse of position to fund my gambling addiction. And then in August 2020, I handed myself in to the police, which was an end to the gambling for me. It was my way out, because it had just consumed my entire life. Ultimately, on the back of that, I lost my career, my partner, house, declared myself bankrupt, two attempts of my life in August 2020, both failed attempts, thankfully. Friends, family, through misunderstanding and the stigma associated, broke away. So that’s it in a very brief nutshell.” (Participant 2)

Harmful gambling was often compared to other, more well-known harmful behaviours, such as alcoholism and drug use, both to situate gambling alongside these behaviours, and to differentiate gambling as being particularly dangerous. The severity of the consequences of harmful gambling, combined with the lack of visible ‘symptoms’ and the accessibility and acceptability of gambling in society, were provided as examples of how harmful gambling could be particularly dangerous to those experiencing it:



With gambling, you’re often in such a big hole that it feels so hard to get out of. It’s like you’re really starting, not only have you got to stop, you’ve actually got to undo, you’ve got to somehow deal with the fact you’re in a massive amount of debt maybe, you might have stolen or lost your job ... I guess that might put people off even bothering to think, “what’s the point of trying?” (Participant 15)

The lack of obvious outward signs of harmful gambling allowed participants to keep these behaviours secret from friends and family, distancing themselves from sources of support, and often developing a ‘double-life’. This puts the individual experiencing gambling harms in an extremely vulnerable position as they are not able to manage their money, but they are also unable to ask for help from family and friends, due to their isolation. This inability to speak to someone contributes to the problem spiralling.

This continued until the consequences became so severe they could no longer be hidden. For example, one participant concealed his harmful gambling and subsequent fraud from his family, leading him to face a criminal prosecution and potential jail sentence alone:



No one else in the world knew apart from me, not knowing if I was going to go home that day or if I was going to get sent to prison.” (Participant 12)

(1c) The process of recovery. Participants had different experiences when it came to seeking help for their harmful gambling. Some individuals were able to access help relatively quickly whereas other individuals found that a lack of knowledge, understanding, and sympathy hindered and delayed them from accessing the help they needed. Two female participants described less than helpful visits to their GPs where they were told that the problem was their mental health and were prescribed medication:



I did reach out for help when I was made homeless, and I asked for help, they said to me that they wished I'd been a drug addict or an alcoholic because what are they supposed to do with a compulsive gambler? I went to my GP and sat with them crying and said, I'm homeless and I need help, and he said to me, you need antidepressants, you're depressed, you're a full time carer, what do you expect? And that's how I was treated.” (Participant 14)

Another participant was provided a helpline by his GP, ***“I rang up and it was for drugs and alcohol. They didn't even deal with gambling”*** and described sleeping in his car because he had not realised it was possible for him to check into a gambling rehab clinic ***“I would have jumped at the chance” (Participant 18).***

Once participants did engage with support groups such as GamCare, Gamblers Anonymous and Gordon Moody they found that this helped their recovery. Some participants had been able to abstain for a number of years, while others experienced periods of abstinence and periods of relapse. However, almost every participant described engaging in supporting others with harmful gambling behaviours in some way. This could be by training and working to support other individuals experiencing gambling harms, working in the gambling charity sector, or by sharing their lived experience and knowledge with others on social media and TV, or via academic research.



And I do talk publicly about it, I have done some pieces with Newsnight, which was really good to do, and talk about the addiction, especially with the gambling white paper reform. And then additionally, I've like reached, created a TikTok account that talks about addiction, and about my own lived in experience, and that's garnered around 18,000 followers, which is great because it's, a lot of people I have reached and they said that they found that they don't feel as

alone about this addiction, which is one of the main traits when it comes to this.” (Participant 13)

Theme 2 - Use and Usefulness of Bank Gambling Blocks

Participants had different opinions about the use and usefulness of the block. Discussions centred around four main areas:

(2a) The cooling off period. Participants had different opinions on the adequacy of a short-term (i.e., 48h) cooling off period. This was the amount of time between turning off the block and re-activation of access to one's account which was the standard for most banks. Most participants felt that 48 hours was insufficient, with many expressing that such a short time would not have been enough to prevent a relapse. Instead, this timeframe was more like being **told “on a Wednesday you could go out partying on a Friday night”** (Participant 1). It was also felt that BGB users would be people who had recognised that their gambling was problematic and were trying to abstain rather than individuals experiencing severe harms:



So those cooling off periods aren't, I don't think, that reflective of someone who's going through addiction, and again, it might be the lack of knowledge around lived experience that, I mean how are these cooling off periods arranged? How are they decided? Who makes those calls [decisions].” (Participant 4)

The fact that BGBs placed the onus on the individuals experiencing gambling harms to control and regulate their gambling was seen by some participants as further lack of understanding of their lived experience. Several participants pointed out that individuals experiencing gambling harms may be experiencing poor mental health, along with self-control and self-regulation challenges, making it extremely difficult to be left to regulate their harmful gambling behaviours without additional supports that are simply not provided by BGBs alone. For these individuals, the blocks could only offer limited help.

The lack of perceived recovery support offered by having a 48h cooling off period is highlighted by the fact that BGBs were generally not seen as a main tool in the battle against harmful gambling behaviours, but simply a means of providing another layer of friction alongside heftier tools such as self-exclusion (GAMSTOP) and device blocking systems (e.g., GAMBAN). These programs offer a blanket ban on gambling transactions for a minimum of six months that cannot be removed during the agreed time. The lighter touch of the BGBs led some participants to question whether they were worth using as part of their recovery at all if they had already activated GAMSTOP:



Have I ever used them? The truth is no, but the reason I haven't used them is because I, I'm already self-excluded on GAMSTOP,... The reality is I'm four and a half years into recovery. I could turn the gambling block on in my thing [mobile banking?], but I'm already self-excluded. I can't get onto the online sites in any case.” (Participant 3)

However, a smaller number of participants described the urge to gamble as immediate and short-lived. For these individuals, knowing that 48 hours would have to pass before they could gamble again was enough to prevent them from turning off the block. In these cases, the bank gambling block was able to provide an additional level of reassurance and worked:



For me, it's peace of mind. It's knowing that if I was to ever have, and well, I still do get urges to gamble, that I'd have some obstacles in the way of being able to do that, and those obstacles give you that thinking time. As a gambler, as an addict, you're very impulsive. So having, I know what they have now is a 48-hour cooling-off period. Gives you the time to sit back and think, am I doing the right thing? So from that perspective, it's brilliant. (Participant 7)

(2b) Purpose and target user of the block. It was felt by many participants that the blocks might work better for individuals at a moderate rather than severe risk of gambling harms (e.g., helping individuals who might overspend or binge, but who had the capacity to maintain the block until their next payday):



But I think they're really useful for the moderate gambler, and I think actually that's a massive population at the moment, is people that, they're not necessarily, their life's not consumed by gambling but they might be gambling more than they want to, more often than they want to, and maybe it's a case of they've gambled too much that month, they want to put a block on until they get paid. I think it's really, it'd be really useful for that population just to minimise the harm that they, and the financial impact of their gambling for a short period of time, which is helping them stop for a short period which might make them, stop them from spiralling and going down that slippery slope (Participant 15)

Additionally, individuals at moderate risk of experiencing gambling harms were viewed by some participants as easier to help, whereas those who were at risk of severe gambling harms, but who were not yet in recovery were highlighted as a particularly difficult, or even impossible, group to help and support. One participant doubted that BGBs would have helped him at the height of his harmful gambling:



At the time when I was in deep, probably not. Not at that time, not when I was at my deepest. Maybe before. I think it needs to be caught before it becomes a problem. I think once it becomes a problem, it's too late. (Participant 5)

Ultimately participants questioned exactly who was in mind as the target user of BGBs. It was felt that BGBs would not be useful for those at a very high risk of harmful gambling behaviours, who would likely view the blocks as problematic, restricting access to money they felt they needed for gambling.



For someone who's been gambling for years and years, and maybe they've never been even found out I don't think those tools are of any use at all. That's my experience and my, but I wouldn't use it because it cuts off options for me. It cuts off those options for me to spend my money, as wrong as that is, because I'm still thinking, "I need that to get that money back, to get most debts cleared off." So if I'm doing that, that's a week maybe gone, putting them on, putting them off. And how's that going to help me then because I've still got a problem. I've still got all this debt and no-one still knows." (Participant 4)

(2c) Location and use of the block. Although the ease with which gambling blocks could be turned off was often seen as a problem, the fact that they were easy to operate by toggling on in a banking application was seen as a benefit. Some participants preferred to turn on the blocks by calling their bank, but for many others, using banking mobile apps meant avoiding potentially difficult, upsetting, or embarrassing conversations. The ease with which the block could be set up in the banking application was sometimes negated because of the difficulty in locating the block within the app itself with one participant describing the blocks as **"really simple to use but hard to find"** (Participant 2). Consequently, customers wishing to use the block need to already know that it existed somewhere within the app, and be in a position where they have the resources to search through layers of the app to find it:



I'm not sure which it was, it was quite easy once you got there to just flick it on and off but I remember thinking it, you've got to go somewhere, I've forgotten what the place, what menu option it was under, but it didn't it didn't seem super logical ... and I guess I only found it because I was looking for it and I knew it existed whereas if I hadn't known it existed I might not have been able to find it." (Participant 15)

(2d) Lack of awareness. Most participants felt that there is a lack of awareness in the general public about bank gambling blocks, which limited how useful they could be. One participant who counsels women experiencing gambling harms noted **"it's probably 50/50 ... if I've got a group of say six women, I would say three of them know [about the blocks] and three of them don't"** (Participant 14). Similarly, another participant [with experience of helping others], estimated that about 70% of people experiencing gambling harms that she speaks to were not aware they could block gambling transactions via their bank: **"I think still the biggest majority of people come and say, "oh, I didn't know I can"** (Participant 16).

Some participants questioned why financial tools such as credit cards and loan facilities were promoted but not the gambling blocks. Other participants described how BGBs did not seem to be promoted by banks and were often only discussed within the harmful gambling community and charity sector as safe spaces, but not outside those *safe spaces*:



I think it's quite easy if you look for it, but I don't know how much general knowledge it is within the population. I'm not sure. I've never seen it advertised or I've never heard any of my friends, I've never heard anyone talk about it outside of Gamblers Anonymous or GamCare.” (Participant 11)

In this way, there was almost a secrecy around the blocks, which may reflect and even contribute to the sense of stigma and shame felt around harmful gambling. The general lack of awareness about BGBs also had the effect of delaying their use. One participant, who found the banking blocks useful to their recovery, reflected on how **better promotion of the blocks could lead to earlier engagement**:



Well for me it took me to be in a very, very bad place to reach out and ask for them and I don't think that should be the case. I think they're a fantastic tool for people and I don't think banks advertise it enough ... if you're in a bad place it's already gone too far.” (Participant 7)

Theme 3 - Responsibility to Help

Participants expressed frustration at a lack of action from the banks and called for them to provide greater intervention, scrutiny, and checks to their customers who might be experiencing gambling harms and to take greater responsibility for their role in gambling harms. Concerns were highlighted via two sub-themes:

(3a) Lack of action and duty of care. Although participants took responsibility for the consequences for their own actions regarding harmful gambling behaviours, they also identified times when they felt their harmful gambling behaviours were left unchecked by a lack of action, or due process by their banks. One participant described opening a bank account that was used **“purely to gamble with” and never supplemented with a regular income**. He described how, over a four-year period, **“probably a couple of million”** passed through that account **“and never once was there a check done on that account or never once did anybody contact me and say, 'Where is all this money coming from? We're concerned that it's all going out to gambling operators'”** (Participant 18).

Another participant described taking out £25,000 over several loans from a single bank for *“home renovation”*. His applications were never queried, despite him being a student and living in rented accommodation. Looking back, he wondered why this had been allowed to happen when other transactions might have been questioned:



I'm sure I'm, someone's not looking through this documentation every day, but if someone looked at my account and they went, hold on, we've given this guy 25 grand to renovate two different properties, this seems a bit weird, like even potentially like, it's not money laundering, but your bank will block certain transactions if they feel something's unsafe.”
(Participant 17)

There was a palpable sense of anger among some participants as they reflected back on these times, expressing that this lack of intervention, scrutiny, and checks from their bank was tantamount to a failure in duty of care which could have helped prevent, or minimise severe and harmful consequences. One participant, who spent time in prison for fraud, describes, with a sense of frustration, how she was able to deposit money stolen from her place of work into her bank account using false company names for seven years to feed her gambling behaviours:



Banks were very much a, they weren't the cause, but they allowed me to do everything that I did. ... they saw me walking in and out, in and out of the branch, the one particular branch, because there's only so much you can draw on a card. And I was, I put, every penny I took went into a saving account, your basic rate saving account that was just for people, any Joe on the street could have. Yet they allowed me to put funds into that account once a week, twice a week, more than that using false company names, so not a company account, but a saving account that was not in my name, only had my account number and sort code. And it was never questioned, not by his bank, not by my bank, never questioned. And I, to this day I don't know why these stronger checks are not put in place.” (Participant 9)

Participants suggested that banks could use their customer data to identify red flags that, in turn, would trigger some kind of intervention. According to our participants, red flags should include: customers spending over a certain proportion of their income on gambling, gambling transactions occurring in the middle of the night, lifting the bank gambling block, and customers opening accounts that are used solely for gambling. Intervention suggestions included greater signposting to providers of help such as Gamblers Anonymous and GamCare, and the bank contacting customers to discuss the affordability of their gambling, and highlight tools available both from the bank, such as bank gambling blocks and further afield such as GAMBAN software and GAMSTOP self-exclusion.

(3b) Unique position- responsibility to help? A number of participants felt that it was incumbent on the gambling operators, rather than the banks, to intervene to support individuals experiencing gambling harms. However, one participant who works with gambling operators to help protect individuals experiencing gambling harms, felt that by not intervening, banks were providing less support than what is currently expected from gambling operators:



We would expect a gambling operator to have some sort of person to person interaction before they did that [removed the self-exclusion] and to assess if they think the individual is ready to come back to gambling. I would think that something similar would be in order for the banks [in respect of the BGB, for example removing it] ... I think it is therefore almost incumbent on the bank, from a customer welfare and wellbeing perspective, to have some sort of interaction with them where they assess, "is this really what you want to do? Have your financial circumstances changed? Is there anything else going on in your life that may mean that this is not a particularly good idea?" (Participant 12)

It was acknowledged by some participants that the banks intervening in customers' lives to highlight concerns about gambling was not only costly in terms of resources, but likely to be unwelcome in the moment by individuals experiencing gambling harms. However, several participants felt that the intervention was likely to be appreciated in the longer-term:



They probably nine times out of ten won't thank them [the bank staff] right there and then, but in the future, whenever they potentially get into recovery and sort their finances out, that might have been the point that they look back at and think, yeah, that', I'm really so grateful for that person who's helped me identify this and I've changed my life."
(Participant 8)

Some participants speculated that such an intervention may have shocked them into facing reality, although some other participants felt that such an intervention may not have made a significant difference. Participants recognised that, when it came to intervening in customers' lives, banks had to tread a difficult line between customer freedom and customer safeguarding, with a potential for **"butting of heads"** (Participant 12) between protecting individuals at risk of gambling harms and providing freedom to individuals who were not at risk. However, the majority of participants expressed that greater action from the banks was needed.

Indeed, the responsibility of the banks to protect their customers was compounded by the unique relationship between the banks, customers, and gambling. As pointed out by one participant, banks are the provider of the major component required for gambling – money – meaning they have the power to facilitate harmful gambling behaviours, but also are in a *unique position to assist* individuals experiencing gambling harms:



I think there just probably should be a more intertwined relationship between your bank and offering assistance on gambling harms. ...gambling is purely done with money and the bank purely holds money, there is a very easy relatable relationship there between [the two], I've never gambled once in my entire life where the money hasn't come from a bank."
(Participant 17)

Given the secrecy and isolation that often accompanies harmful gambling behaviours, several participants pointed out that the banks may be the first or only ones aware that there is a problem, quite possibly before the individual's friends or family. This potential for awareness, combined with severe consequences that can arise from harmful gambling had implications for the banks' responsibility to help prevent harmful gambling behaviours, in the view of several participants. These participants felt that the banks are one of the very few entities which ***can*** help individuals experiencing gambling harms to take that first step towards turning around their crisis:

“

You can do it [gamble harmfully] so hidden, you can get into such a bad hole before even anyone even knows you're gambling. So yeah, I do think it is incumbent on banks to do something.” (Participant 15)

“

Nobody should be able to get to a position where they're out there stealing money to gamble. Because at the end of the day it should be cut off before it gets to that point or at least when it does get to that point it should be shut off very quickly.” (Participant 18)

5. Legal Obligations in Respect of Bank Gambling Blocks

5.1 The New Consumer Duty and Regulatory Context

Summary

The new Consumer Duty means that banks cannot ignore vulnerabilities among their customer base and need to identify these vulnerabilities (including problem gambling), and ensure that affected customers have a good outcome. This means that they have to identify problem gamblers at some stage in their dealings with them, communicate appropriately and provide tools and support addressing the specific vulnerability. However, the new Consumer Duty is not prescriptive and will be applied in a proportionate manner, depending on the size and nature of the financial services provider. Therefore, financial services regulation does not prescribe the details of implementation. The implementation is left to industry and no specific standards are currently prescribed.

The Financial Conduct Authority (FCA) regulates banks and other payment services. The FCA has recently set out a new duty (the new Consumer Duty) in Principle 12 of the FCA Handbook “A firm must act to deliver good outcomes for retail customers”.⁷⁶

This new Consumer Duty imposes obligations to protect consumers more proactively, including vulnerable consumers, such as those suffering from problem gambling.

The FCA has power⁷⁷ to issue guidance consisting of such information and advice as it considers appropriate. More details of the Consumer Duty in Principle 12 are therefore contained in Policy Statement 22/9 and Final Guidance 22/5, which the FCA have issued in respect of the new Consumer Duty coming into force on 31. July 2023. It sets a higher standard of protection for retail customers than the previous duties owed by firms under Principles 6 and 7. Whereas Principle 6 provided that firms must pay due regard to the interests of consumers and treat them fairly, and Principle 7 provided that a firm must pay due regard to the information needs of its clients and communicate in a way that is clear and not misleading. Principle 12 goes beyond this and introduces a proactive duty to ensure good outcomes for *all* retail customers. The duty applies to the regulated activities and ancillary activities of all firms authorised under the Financial Services and Markets Act 2000 (FSMA), the Payment Services Regulations 2017 (PSRs) and E-money Regulations 2011 (EMRs), in respect of products and services for prospective and actual retail customers.⁷⁸

⁷⁶ Principle 12, Chapter 2 FCA Handbook, Principles for Business, <https://www.handbook.fca.org.uk/handbook/PRIN/2/?date=2104-01-01&view=chapter>

⁷⁷ Section 139A of the Financial Services Markets Act 2000

⁷⁸ Chapter 2.1 FG22/5 Financial Conduct Authority Final Non-Handbook Guidance for firms on the Consumer Duty

Under the new duty, all firms are required to deliver good outcomes for consumers.⁷⁹ Under the Final Guidance⁸⁰, there are four outcomes which comprise four areas representing the firm-consumer relationship, namely:

- i. Products and services
- ii. Price and value
- iii. Consumer understanding
- iv. Consumer support

These outcomes are further underpinned by the three cross-cutting principles which require firms to:

- i. act in good faith towards retail customers
- ii. avoid causing foreseeable harm to retail customers
- iii. enable and support retail customers to pursue their financial objectives.

In the following section, we examine how the three cross-cutting principles, and four outcomes apply specifically to banks in their retail banking operations, including the provision of tools such as the BGB to their customers.

Banks should consider the financial objectives of the consumer in their provision of banking retail services.⁸¹ Banks should focus on proactively and reactively putting the consumer in a better position to make decisions in line with their financial objectives and this duty applies to all customers, including vulnerable customers. Therefore, banks have a duty to recognise and take into account behavioural biases and the impact that a vulnerability such as mental health issues or problem gambling may have.⁸² Thus, banks need to have in place processes for identifying and reacting to gambling vulnerability. They also have a duty to train their staff to do this.

They also have a duty to communicate effectively with their customers and taking into account a specific vulnerability⁸³ this may mean trying to open lines of communication with a vulnerable customer, in order to aid a customer's understanding and provide support.

In addition, they should provide a degree of support through appropriate communication with vulnerable customers and subsequently providing signposting and referral services, either to internal support services or to external providers of treatment and support.⁸⁴ Additionally, in order to achieve good outcomes for their customers, they should consider using gambling-related harm prevention tools such as the BGB (but there is no strict legal obligation to do so).

Banks should take proactive and reactive steps to avoid causing harm to retail customers through their conduct, products or services.⁸⁵ They must ensure that no aspect of the design, terms and conditions, marketing and sale and support for the BGB causes foreseeable harm.⁸⁶ There is a risk that customers place too much reliance on the BGB given that it only applies to card transactions. Therefore, banks should make clear that the BGB does not block all forms of gambling, and that it only works if the customer uses their banking (debit or credit) card to pay for gambling. It is

⁷⁹ Principle 12, Chapter 2 FCA Handbook, Principles for Business

⁸⁰ FG22/5 Financial Conduct Authority Final Non-Handbook Guidance for Firms on the Consumer Duty

⁸¹ Chapter 5.38 FG22/5

⁸² Chapter 5.38 FG22/5

⁸³ Chapter 8.4 FG 22/5

⁸⁴ Chapter 5.40 FG22/5 and FN29

⁸⁵ Chapter 5.22 FG22/5

⁸⁶ Chapter 5.22 FG22/5

important that the gaps in the BGB are explained in a way which is clear, fair and not misleading and it should be supplemented by additional support measures.⁸⁷

Banks should ensure that the BGB is designed to meet the needs of consumers in the target market, testing how the block is likely to function, communicating its terms clearly and adopting a flexible consumer support approach.⁸⁸ This means that the BGB should provide as much friction as possible for those using it. The design of the block should be clear and straightforward, with features that can easily be understood by the target market.⁸⁹ Communications should also be tailored to the target market based on the recipients' characteristics.⁹⁰ For example this may be achieved by conducting research among lived experience groups and using sensitive language and consistent terminology, as well as designing the BGB in such a way that it is easy to find and use.

Banks should consider how consumer behavioural biases might lead their products to cause foreseeable harm, as well as identify potential for harm that may arise.⁹¹ This means that banks should take into account that retail customers who are suffering from problem gambling may be obsessed with gambling and, temporarily impaired in their decision-making, and therefore require additional support, such as a cooling off period before deactivating the BGB, and other tools (such as deposit limit tools or blocking of all online transactions), communication and signposting to external support. Banks are under an obligation to build appropriate friction into their products so that customers have sufficient time to assess their options.⁹² Banks should follow-up and monitor how well the BGB works and whether it provides the intended customer base with a good outcome.⁹³

However, this does not mean that banks are responsible for protecting consumers from harm. It also does not prevent insistent consumers from making decisions that the bank considers to be against the consumer's best interest. The duty does not require the bank to go beyond what is reasonably expected of a firm providing a service.

5.2 Financial Ombudsman Service Adjudication Decisions

Highlights Financial Ombudsman decisions

- Binge gambling: where there is a pattern of binge gambling: unusual, fast, high value, frequent transactions, banks should spot these, intervene and offer support to their customers in some way.
- If a customer informs the bank of problem gambling, the bank should offer some support and offer solutions to deal with the problem (eg blocking or limiting online transactions; signposting to external support). But the decisions do not prescribe what

⁸⁷ Chapter 8.4 FG22/5

⁸⁸ Chapter 5.34 and 5.35

⁸⁹ Chapter 5.44 FG22/5

⁹⁰ Chapter 5.45 FG22/5

⁹¹ Chapter 5.23 FG22/5

⁹² Chapter 5.35 FG 22/5

⁹³ Chapter 11 FG22/5

measures a bank must take. There is not even a requirement to provide a BGB or to hold the customer, who wishes to remove the BGB, to the stipulated cooling off period.

- If a banking card has a current gambling block, any replacement card should also have a gambling block enabled, or if not, the customer's attention should be drawn to this very clearly (on the phone or a direct message).
- A gambling block should have a cooling off period of at least 48 hours.
- Banks do not generally need to proactively analyse all transactional data for excessive gambling (unless very large sums, paid in short space of time= binge gambling), but should offer active support once a customer's account has been flagged with gambling problems on their internal systems. So once the bank has knowledge of problem gambling, it needs to flag the account and action support.
- The FOS has decided that banks should refund payments made into investment scams where the payments were large and unusual, thereby triggering fraud prevention and vulnerability flags and where there has been a scam warning by relevant bodies such as the IOSC of FCA. The bank should have alerted the customer concerned.
- In respect of gambling, the FOS decisions reviewed did not find that the banks should refund money lost, as, even if better support had been provided, the customer may have gone ahead with the gambling in any case, due to compulsive nature of the activity. The argument here is that the omission did not materially contribute to the loss. Instead, the Ombudsmen have ordered the banks concerned to pay a small compensation (a few hundred pounds).
- The decisions reviewed do not indicate that banks are currently under a duty to block all foreign, unlicensed gambling transactions from credit cards, even though the Gambling Commission has introduced a ban on GB based operators to accept credit cards as a means of payment, signalling that gambling using a credit card is contributing to gambling harms.
- A number of cases concerned claimed non-authorisations of transactions. Here the Ombudsman examines all the circumstances and in particular transactions before and after the claimed authorisation. For more details see decisions summarized below.

5.2.1 Context

The Financial Ombudsman Service provides alternative dispute resolution and decides complaints against banks and financial services industry, as well as credit providers, for breaches of their duty under financial services and consumer credit legislation⁹⁴. In recent years, there have been a substantial number of complaints against regulated entities in connection with gambling. A search of the FOS database with the keyword "gambling" reveals 3617 results mentioning "gambling" in

⁹⁴ Financial Services and Markets Act 2000, as amended by the Financial Services Act 2012

the Ombudsman decisions in the last 10 years⁹⁵, just under a third, namely 1115 in the last two years. Out of the 3617 decisions, 1930 have been upheld (53%), and 1687 have not been upheld (47%). Upheld does not mean that the FOS ordered a refund of money lost gambling; it does mean, however that the Ombudsman held that the business fell short in their standard of conduct and some decisions order the business to pay a (small) amount of compensation.

Our analysis has been qualitative: we have reviewed a tiny section of the most relevant decisions of the last two years. Our intention was to get an anecdotal impression-through qualitative research- of the issues which have led to complaints to FOS and how the FOS has interpreted the obligations of the banks. We have looked at decisions which focus on the conduct of banks and payment providers in respect of gambling transactions (and some related transactions such as binary options, or high risk crypto investments, included by the FOS database under the keyword of gambling). We have ignored the many decisions on whether credit (in the shape of credit cards and overdrafts) and lending was irresponsible, as this is not the focus of this study. We picked 13 decisions where the complaint was not upheld and 10 decisions where the complaint was upheld or at least partly upheld. The decisions picked were relevant to the themes we had encountered in our discussions with the banks and people with lived experience, and are now reflected in the headings of this section. The approach adopted is impressionistic, as the small scale of the current study does not allow for a systematic analysis of all decisions. But this seems to align with the nature of the Ombudsman system where the Ombudsman decides what is fair and reasonable in all the circumstances and is not bound by precedent and legal analysis. Nevertheless, we feel able to formulate some principles as to what the conduct expected of payment providers and banks would have been.

Looking to the future, it can therefore be expected that the FOS decisions will reflect a higher standard of conduct reflecting the new Consumer Duty⁹⁶ towards vulnerable customers (including those afflicted by problem gambling). The decisions considered here predate the introduction of the new Consumer Duty (effective 31. July 2023) and therefore do not reflect how this new Consumer Duty will impose greater obligations on financial services firms to safeguard their customers' interests in the face of vulnerability. It is to be expected that therefore the new Duty will lead to higher customer care standards. Arguably, that banks provide a BGB as part of their service tools is a standard *now*, and allowing the customer to remove the BGB before the expiry of the cooling-off period would *now* also indicate insufficient training and awareness of customer support agents about vulnerability. Interestingly, one of the Ombudsman decisions examined below found that banks need not proactively analyse transactions for excessive gambling (or have systems to do so), but once a customer's account has been flagged up with gambling problems they need to offer support. From our interview with banks⁹⁷, we have found two approaches by the banks- some banks have a flagging system once they learn of a customer's gambling problems, and this Ombudsman decision pitches that as the minimum standard. But a number of banks *do now* proactively analyse transactions for problem gambling behaviour and take action in an automated and targeted way. This may well become the industry standard in the near future.

⁹⁵ Searching 24. October 2013-24. October 2023 across all products

⁹⁶ Deadline for implementation 31. July 2023

⁹⁷ Section 6.1.6

5.2.2 Loopholes of the BGB- the BGB is no guarantee that gambling will be blocked given the loopholes of the technology⁹⁸

(a) Miscoded foreign gambling: The FOS did not uphold a claim where a customer of Monzo bank had been able to gamble with his card linked to a Monzo account despite a gambling block being in place. The customer was a problem gambler and had gambled on *foreign websites which had miscoded the transaction*. Monzo explained why the BGB did not work and added the [deposit accounts of (?)] websites the customer had gambled on to its blocking system and offered additional, specialist help to the customer which he decided not to take up. The Ombudsman held that businesses are obliged to offer useful and tailored support to vulnerable consumers when they become aware of their vulnerability. Monzo had recognized the vulnerability of the customer (who had informed Monzo about his problem gambling) and had taken proportionate and respectful action to protect the vulnerable customer and therefore acted reasonably. It was not Monzo's fault that the BGB was unable to block all gambling transactions.⁹⁹

(b) Payment facilitators/e-wallets: The FOS did not uphold a complaint where a customer had set a gambling block on a credit card and subsequently used the credit card for paying into online *payment facilitators* [e-wallets] used for gambling, so that the Merchant Category Code did not identify the transaction as a gambling transaction, as the transaction was codes as an ewallet top up rather than a gambling transaction. The customer contacted Jaja Finance in February 2021 and expressly requested that all gambling transactions be blocked, but subsequently spent a large amount on gambling through payment facilitators. He complained that he had to contact Jaja Finance several times before he was offered in April 2021 to *block all online transactions*. The Ombudsman held that the transactions made through the payment facilitator were *not identifiable as gambling transaction, thereby not triggering a duty of care on behalf of the credit company*. The Ombudsman acknowledged this loophole of the BGB, but held that this was not the fault of the credit company who had properly applied the BGB.¹⁰⁰

(c) Faster payments and requirement of support: The FOS upheld a complaint and ordered NatWest to pay £300 in compensation for distress suffered since *they could have done more to support their customer with his problem gambling*. But the Ombudsman also held that NatWest did not need to compensate the customer for money lost through gambling, as the payments were made by *faster payment (direct money transfers) which would never have been picked up by the card-based BGB*. The complaint considered by the Ombudsman concerned the transactions made with company K where payments had been made through faster payment and the BGB would not have picked these up and the Ombudsman agreed that NatWest was under no duty to refund the customer for his losses.¹⁰¹

5.2.3 Card-based Gambling Blocks and Replacement Cards: BGB should be continued on replacement card (or if not this should be directly communicated to the customer)¹⁰²

(a) Replacement card- not continuing the BGB on a replacement card and requirement of support: The FOS partly upheld a complaint against Halifax/Bank of Scotland where a customer who had

⁹⁸ We discussed the loopholes and the near-impossibility of closing them with the banks see Section 6.1.11

⁹⁹ DRN-3861578, 24. February 2023

¹⁰⁰ DRN-4020192, 28. March 2023

¹⁰¹ DRN-3855908, 10. March 2023

¹⁰² From our interviews with the banks it appears that the banks are inconsistent about whether the BGB is continued with replacement cards. We recommend that they should, see section 6.1.2

previously set a BGB reported the card as lost or stolen and the replacement card did not have a gambling block, the absence of which allowed the customer to gamble and lose a large amount of money. The bank was ordered to pay £200 to the customer to compensate him for the part it played in the distress caused.

In this case the customer held *two* banking cards and had set a BGB on *one* of the cards in July 2020. He gambled significantly with the *other* card without a BGB in August and September 2020 so that he was overdrawn in October 2020 when he did not gamble. In September he reported the card with the BGB as lost and *obtained a replacement card without a BGB*. He used that unprotected replacement card in November for significant gambling and lost a large amount of money, spending over £10,000 on gambling. He informed Halifax of his gambling problem in November 2020 and complained about the fact that a card he had set a BGB on allowed him to gamble.

The Terms of the Halifax accounts make clear that if a card is reported as lost or stolen the replacement card will not automatically have the BGB on it, whereas a replacement card on expiry of the old card will continue the BGB. However, the Ombudsman held that *Halifax had not shown enough understanding and support for their customer's gambling problem*.

The Ombudsman held that it was understandable that Halifax had not picked up on the customer's problem gambling, as his gambling in August and September was more controlled and, the high spending only started in November and it was only then that Halifax was informed by the customer of this problem. But The Ombudsman found that it did not make sense from the customer's perspective that the BGB was *not* continued on the replacement card and, this should have been pointed out to him explicitly, either in a phone call or at least in the letter sending out the new card.¹⁰³

(b) Should continue BGB on new card, but no need to compensate for gambling losses, as would have gambled anyway. Complaint not upheld. Miss M was sent a replacement card for her old card, but continued to use the old card for a number of months. About two months after the new card was sent to her she switched on the gambling block, but *by a mistake made by Barclays this BGB was only applied to the old card* (which is the card she was using at that time), but not the new card. She had suffered from gambling problems, which she had not informed Barclays about. In February 2023 she was suffering from a deterioration of her mental health and gambled away significant amounts of money with the *new card* which did not have a BGB. She claimed her losses from Barclays arguing that there were caused by Barclay's omission to apply the BGB to the new card. However, the FOS held that unfortunately she would have made these losses probably even if the BGB had been in place on the new card, as the BGB can be circumvented through using other payment means, she had not disclosed her gambling issues to Barclays and she had other accounts with other banks which she used for gambling. Therefore, the Ombudsman held that the £100 compensation already paid by Barclays for the error they had made was sufficient acknowledgment of their mistake and compensation for distress.¹⁰⁴

5.2.4 Switching the BGB off before the Cooling Off Period has expired/not providing a Cooling Off Period-Ombudsman finding that Cooling Off Period should be provided with BGB-

¹⁰³ DRN 2970533 7. March 2022

¹⁰⁴ DRN-4145638 20. July 2023

Different Ombudsman deciding that switching BGB off before expiry of Cooling Off Period not unreasonable

(a) Customer service agent agreeing to switch off the BGB with immediate effect not providing the 48 hour cooling off period *not unreasonable*. The Ombudsman did not uphold a complaint against Monzo where a *customer service agent had agreed to turn off the BGB with immediate effect without referral to specialized gambling support within Monzo, despite its policy which stipulated that the Cooling Off Period was 48 hours*. The customer had asked for the immediate removal of the BGB claiming that he had never set the BGB and that it was a mistake on his account, in July 2020. The customer agent had no evidence of excessive gambling and explicitly asked the customer whether he had a gambling problem, which was denied. The customer lost £750 on football betting that evening and wanted Monzo to reimburse him arguing that he was a compulsive gambler and that the additional friction of the 48 hour Cooling Off Period would have protected him. He asked for the immediate removal of the BGB on later occasions, so on 11. August 2020. At that occasion, with the customer having a note about problematic gambling on his record, he was referred to the specialist gambling support team within Monzo who discussed the situation with the customer at length and ultimately turned off the BGB after 18 hours delay. The Ombudsman argued that even if the customer had been referred to the specialist gambling team in July 2020 in accordance with the Monzo policy, it is unlikely that it would have made any difference in outcome. The Ombudsman held that Monzo had not acted unfairly.¹⁰⁵

(b) Requirement to provide a Cooling Off Period of not less than 48 hours. The complaint was partly upheld- the FOS asked Santander to pay £350 compensation for not providing a BGB with a cooling off period, but refused to ask Santander to refund the three gambling deposits made. The complainant, Mr B made the bank aware in 2019 that he was a compulsive gambler who had self-excluded. Santander set a future date card payment (FDCP) block, which was blocking certain stipulated gambling merchant(s)- but that this was removed or expired later in 2019 (the reasons are not clear) but Mr B did not know about this and thought that this protection continued in place. Santander introduced its BGB proper in February 2020, but did not inform Mr B of this at the time and only suggested the new BGB to him in October 2020, when Mr B decided not to use it. He then made the first disputed gambling transaction about a year later in October 2021. After that he called Santander to ask why the FDCP block was no longer in place. He was advised to set the BGB, which he did. But this did not have a cooling off period, so that he was able to remove the BGB and immediately gamble again with two further merchants. *The Ombudsman said that it was disappointing that the 48 hour cooling off period for the BGB had not been not in place when the BGB was first introduced as it added an important layer of friction for individuals with compulsive spending on gambling*. Furthermore, after this compulsive gambling episode in October-November 2021, Mr B sought further help from Santander in particular he tried to find other ways to protect himself, and asked for card transactions to be restricted to £50 per day- the call handler from Santander was unhelpful and just responded that this was not possible, as he could only set a limit of £60 or £0. *The FOS held that Santander did not effectively tailor his request to their vulnerable customer's circumstances*. It is for these reasons that he felt that Santander should pay £350 compensation, but Santander had not acted so unreasonably that it had to refund the customer's

¹⁰⁵ DRN 3384239 21. March 2022

gambling losses. Moreover, its omissions *had not caused the complainant's losses* so that a refund was not required.¹⁰⁶

5.2.5 Not Providing a BGB- not necessarily unreasonable not to provide a BGB

(a) No strict requirement to provide a BGB; banks do not need to analyse transactional data for excessive gambling, but should offer support once a customer has been flagged as a problem gambler: The Ombudsman did not uphold a complaint against TSB in September 2022 for not providing a BGB to a customer, as at that time TSB had not (yet) implemented a BGB. The Ombudsman held that (as of 2022) banks had no legal duty to provide BGB on accounts. The customer was suffering from problematic gambling and over the years had used his card to transfer large amounts of money from his current account to gambling operators and argued that *TSB should have been aware of these repeated gambling transactions and should have supported him proactively to deal with his gambling problem. The Ombudsman held that banks do not and need not analyse transactional data, in order to prevent excessive gambling and that their proactive analysis was limited to fighting fraud.* A TSB customer services agent had noted on his record that there were a large number of gambling transactions in November 2020, but no action was taken. The Ombudsman held that this was a lost opportunity, and that TSB should have spoken to their customer at that time and referred him to support services. But this would not necessarily have prevented the excessive gambling which followed and was insufficient for a finding that TSB had treated him unfairly.¹⁰⁷

5.2.6 Banking customer refusing help to deal with problem gambling

(a) If a customer is in denial there is little the bank can do. The Ombudsman did not uphold a complaint where a Barclays customer said that Barclays knew about his compulsive gambling and that he had expected Barclays to monitor the account and prevent gambling transactions. The Ombudsman listened to the recordings of repeated conversations by the specialist team at Barclays and the customer and, on the evidence, held that the customer had repeatedly asked for help (for debt problems, mental health problems and alleged fraud) but consistently refused any help or support for gambling problems, denying that he had a gambling problem and asserting that he had now stopped gambling. In this situation the Ombudsman held that there was little Barclays could have done to help, and therefore found that Barclays' refusal to refund gambling losses of £9,000 was not unfair.¹⁰⁸

5.2.7 Credit card transactions after the ban on credit card transactions-no need to block gambling on credit cards¹⁰⁹

(a) No legal duty to ban credit card payments to gambling operators as the Gambling Commission's ban only applies to gambling operators in Great Britain. The FOS did not uphold a complaint Tescos Personal Finance where a customer had made two deposit payments to a foreign (Republic of Ireland) gambling operator with his credit card in November 2020, which was after the Gambling Commission's ban on credit card deposit payments had come into force. As a consequence of the payments, the customer had to pay a cash payment fee and an overlimit fee

¹⁰⁶ DRN 4214217 16. August 2023

¹⁰⁷ DRN 3563442 26. September 2022

¹⁰⁸ DRN 3137876 27. January 2022

¹⁰⁹ The Gambling Commission banned gambling operators in GB to take gambling deposits through credit cards in April 2020

and he argued that Tesco's should have stopped the transactions. The Ombudsman held that the credit card ban was only addressed to UK licensed gambling operators (as merchants) who were not allowed to accept payment by credit card, but that *it did not impose any obligations on a credit card issuer to stop credit card payments to gambling operators*.¹¹⁰

(b) No ongoing duty to monitor transactions. The FOS did not uphold the claim. VM issued a credit card to Mr E with a credit limit of £1800 in July 2018- he used that card for gambling and built up a debt quickly by maxing out the limit. VM had carried out an affordability and credit risk check, by taking into account a declared income of £25,000 and the fact that he had no unsecured debts, no outstanding mortgage and no county court judgments entered against him. He declared his problems with gambling only in February 2020 at which point the bank put a gambling block on his credit card, since gambling is against the terms of service, and referred him to external support services. He complained as he thought that the banks should have verified his actual income and should have noticed his gambling habits from the transaction data and should have blocked the card much earlier. The Ombudsman held that VM had carried out a sufficient affordability check before issuing the card and that they did not have an ongoing duty to actively check the transactional data for gambling and block the card.¹¹¹

5.2.8 Communication channels used for blocking transactions- online bank need not quickly react to email communication- customer should have used chat app.

(a) Bank employees need not constantly monitor their email accounts as this is not the established communication channel. The complaint was not upheld. Mr A sent an *email to a senior bank employee* and to the complaints handling department informing the bank that he had a *gambling problem and requesting the bank to block payments* to entity M on 29. March 2023, and subsequently, on 31. March 2023 incurred significant losses through gambling. He claimed that Revolut had failed in their duty to him as a vulnerable customer and should have acted urgently by instituting a gambling block. However, Revolut stated that it could not be expected that their bank employees constantly monitored their emails for contacts by customers (as this was not set up as an official communication channel for customers) and that it had 15 days to respond to complaints. Essentially Mr A used the wrong communication channel- he should have used the chat app to communicate with the bank and raise the issue. This was stated in their terms of service and Mr A had used the chat app many times in the past.¹¹²

5.2.9 Claimed non-authorisation of gambling transactions- looking at all circumstances

(a) Other transactions made in between the disputed gambling transactions. The complaint was not upheld. Mr S disputed a number of gambling transactions on his bank account, saying that they were not authorized by him. He said that he was in hospital at the relevant time and that someone with his PIN and in possession of his wallet, card and mobile phone had made these transactions without his knowledge. However, the ombudsman noted that there were *other transactions made in between these gambling transactions which Mr S did not dispute* as having authorised, which made it impossible for him not to have authorised the disputed gambling transactions.¹¹³

¹¹⁰ DRN-2802101, 22. April 2022

¹¹¹ DRN-4297305, 29. August 2023

¹¹² DRN-4313125, 25. August 2023

¹¹³ DRN-4299215, 15. August 2023

(b) Other transactions made in between the disputed gambling transactions .Complaint not upheld- this case concerned five disputed debit card transactions in foreign currency, which were taken out of the complainant's account shortly after the payment of his salary, probably due to an overnight binge gambling session of the customer. The FOS assessed that on the balance of probabilities if the complainant had in fact authorised the transactions. The grounds for this decision were that the transactions were *authenticated through one- time passcodes and the complainant's fingerprint; there was no evidence of misuse of the complainant's card, account or devices; the IP address logged by Santander was the IP address he normally logged on from; there were other transactions at that time, authorised by him; there was no clear motive for a fraudster misusing the complainant's account in this way, as the fraudster would not have benefited from these transactions.*¹¹⁴

(c) 200 gambling transactions over a long period of time. The complaint was not upheld. Over 200 gambling payments, made by online card transactions, over the period of roughly two years had come out of the complainant's account, which aggregated to about £17,000. He alleged that he had never authorised these transactions and requested Monzo to refund him. The FOS held that these payments were authorised through a PIN and a password protected mobile device and the complainant did not explain how a third party could have compromised the security of his card payments. He did not dispute any other transactions made in the same period and had taken a long time complaining about the disputed transactions, despite frequently logging into his account.

(d) Refund where it is credible that identity theft/fraud had occurred. The complaint was upheld. Miss K had her phone and debit card stolen while she was shopping at the supermarket. Once she noticed, she immediately notified her mobile phone provider and Santander as well as the police and obtained a crime reference number. Unfortunately, a number of card transactions were debited from her account before the card was cancelled, several purchases, betting transactions and mobile phone top ups not connected to her phone. She requested for these debits to be refunded, but Santander refused, *inter alia* arguing that it did not make any sense for a thief to make payments to a betting account from someone else's bank account, as any winnings would be paid into that bank account, and in fact a few weeks later the betting company credited Miss K's account with £100. Santander also argued that a thief would not have been able to read the OPTs used in authorising the transactions. However, the FOS disagreed and held that *it was credible that Mrs K's phone and card were stolen together and enabled a thief to make unauthorised transactions, as Santander was using simple text messages at the time for the purpose of authorising transactions.* The Ombudsman also examined the transactions made and said it was unlikely that they were in fact linked to Miss K who had never shopped at the shops concerned and never placed any bets from her account. He decided that Santander should refund the transactions (plus interest) and pay £200 in compensation.¹¹⁵

5.2.10 Gambling-related scams and investment scams- banks to discover unusual transactions as part of their fraud prevention and vulnerable Consumer Duty; but Ombudsmen do not order compensation for gambling losses; Ombudsmen order compensation for investment scams, though!

¹¹⁴ DRN-4164444, 24. July 2023

¹¹⁵ DRN-3740410, 4. May 2023

(a) Bank in no position to distinguish between real online casinos and fraudulent operations. Complaint not upheld- this case concerned a foreign, unlicensed casino refusing to return gambling deposits and winnings to a customer, Mr K. He made frequent deposits over six months totalling £34,000 and ended up with £20,027 in credit in his casino account, but was unable to withdraw this money. He complained to the bank (COM) saying that they should have raised a chargeback so that his deposits would be returned to him, arguing that the casino is a scam. The Ombudsman decided that COM should have queried this amount of gambling transactions in a short space of time, as part of their duty of care to a vulnerable customer. However, it was held that this query would not have prevented the loss caused to Mr K. At the point in time when he paid the deposits into the gambling account he would not yet have noticed that the casino was acting fraudulently. When he later tried to withdraw his money, it was already too late, as the chargeback scheme, which is subject to time limitations, would not have been successful, and the bank is in no position to distinguish between real online casinos and scam casinos.

(b) Investment scams losses to be partly refunded by bank. Complaint upheld- this case concerned an investment scam, not a fraudulent casino website, but the reason it is included here, is for the reason of comparison: investment scams are treated differently from casino scams. Mr S had been contacted by a *binary options broker* who was *unregulated* by the FCA and therefore was trading *illegally in the UK*. This broker persuaded Mr S to take out two personal loans of £50,000 and to lie in the loan application, in order to invest that money in binary options. After taking out the loans, Mr S made payments into the investment account and suffered losses of about £100,000 within approx 7 months. *The FOS decided that his contributory negligence was 50%, but that the Halifax should refund £50,000 to him.* The reasoning was that the *Halifax should have spotted these unusual and high spending transactions as a potential scam* and that they should have contacted Mr S and warned him to carry out due diligence checks, for example checking whether the broker was licensed in the UK, and the FOS held that it is *likely that such a warning would have stopped Mr S from further investing. There had also been a warning against this broker on the International Organization of Securities Commissions' investor alert portal.* Thus, it was clear that *Halifax' fraud prevention measures had failed* on this occasion. In the authors' view, the difference to gambling is probably that there is an assumption that investors are prudent and would therefore take into account an alert by their bank, whereas gamblers are impulsive such that a warning would have no effect. However, we wonder whether this assumption should not be challenged, as in both cases the banking customer is deceived to enter high risk odds at the prospect of a potential high reward.¹¹⁶

(c) High and unusual investment transactions in fraudulent scheme. Again, the complaint was upheld- the complainant Mrs S had recently lost her husband and joined an online bereavement group for young widows with children, where she became a *victim of a cruel romance scam*. M befriended her and gained her trust and then *advised her to pay her life insurance pay-out in an "investment" scheme involving virtual property in the Metaverse*. For this purpose, she paid the money into a cryptocurrency account from where it was apparently transferred to a broker in Sweden. After she had transferred the money, both M and the broker refused to speak to her. The *Co-op had effected the transfer of £26,000 to the crypto-account without raising any questions*, even though this was a *highly unusual transaction* for the complainant who had never before invested in high-risk investments. The only step the Co-op took was to send her a text to ask her to confirm

¹¹⁶ DRN-4147356, 14. July 2023

the transaction. The FOS held that this was *inadequate*, given the financial vulnerability of the customer and the amount transferred. It decided that the complainant's contributory negligence was 50% and therefore asked that the *Co-op should refund 50% of the amount lost plus 8% interest*. The Ombudsman decided that *there was a high likelihood that Mrs S would not have entered into this transaction, if the call handler at the Co-op bank had asked probing questions*, especially given the prevalence of crypto-scams and online romance scams.¹¹⁷

(d) Unusual transactions should have triggered fraud prevention mechanisms. This complaint was partially upheld and concerned another crypto-scam. Mr A was contacted by a company C and made four payments, the first by debit card and later three payments by faster payments to Binance, a crypto-currency exchange. The FOS held that the first two payments were not atypical for this customer so probably should not have raised any alarm bells. However, *the last two payments, to the amount of £3643 each should have trigger fraud prevention measures*, so that effectively *Monzo should have probed Mr A* before the 4th transaction went through. It therefore asked that *Monzo refund 50%* (to take into account his contributory negligence) of the last payment *plus interest*.¹¹⁸

(e) General awareness of cyber-investment scams and high transactions should have triggered warning. This complaint was upheld- the complainant had fallen victim to an *investment scam*, where he *lost over £100,000*. He invested in binary options with an *unregulated entity*, *Greenfields Capital*, who offered him training and opened an account for binary trading and "invested" in several instalments from 28. November 2017- 11. January 2018. Subsequently Mr F was *unable to withdraw* money from that account. At that time there was some information in the public domain about the risky nature of such investments as well as a large number of scam warnings in respect of binary trading, which led the FOS to conclude that HSBC should have been aware of these warnings, even though the specific warnings against GC were only issued much later in March (International Organisation of Securities Commissions) and April 2018 (UK regulator FCA). The Ombudsman decided that as soon as Mr F had started to *transfer unusual amounts* as foreign transactions to the scammer's account they should have communicated with him, *warning him* of the risks concerned and asking probing questions. The fact that the transactions just went through without such probing showed that the *bank's money laundering and fraud prevention systems were not working well*. Therefore, the FOS held that HSBC should *refund the full amount paid into the scam* and that Mr F had not contributed to his loss, as this was a sophisticated front, including the training of "investors", which hid the true nature of the activity. This decision sends a clear message to banks to ensure their anti-money laundering, terrorism financing and fraud prevention systems detect unusually large transfers of money in foreign accounts and the link to possible scams. While binary trading options cannot be licensed as a financial service in the UK, one might argue they constitute a form of (unlicensed) betting.¹¹⁹

5.2.11 Spotting binge gambling and unusual transactions, foreign unlicensed transactions- banks need to spot unusual transactions and communicate with customer; but no refund of gambling losses; only small compensation

(a) Foreign, unlicensed gambling- chargeback not available, banks should have spotted unusual transaction pattern, but no return of gambling losses, only very small amount of compensation

¹¹⁷ DRN-4230576, 6. July 2023

¹¹⁸ DRN-4066027, 29. June 2023

¹¹⁹ DRN-4049988, 28. April 2023

payable; even if merchant operates illegally (unlicensed gambling), this is no reason to block transaction, as banks are not law-enforcers. Complaint was partly upheld. Mr I deposited a very large sum of money into an account with a *foreign, unlicensed online casino, which was trading illegally in the UK and this left him in debt for about £20,000*. This was a *highly unusual series of transactions in a short space of time*, in that Mr I had hardly used his Metro Bank account, then deposited large amounts of money into it and subsequently spent all this money in a short space of time (two months). Mr I argued that Metro *should have noticed this unusual pattern and contacted him*, and additionally they should have blocked these transactions, since the online casino was unlicensed and therefore committing an offence under the Gambling Act. He contacted the Gambling Commission who directed him to his bank for a chargeback. *However, according to the chargeback rules, a chargeback is not obtainable on the basis that the transaction was made by an unlicensed merchant, and since the service had been provided, there was no basis for a chargeback*. The FOS criticized Metro Bank for not having spotted the unusual nature of the transactions, both from a vulnerability (problem gambling) and potential for money laundering point of view and therefore asked Metro to pay compensation of £300. But the FOS decided that Metro was under no obligation to refund the transactions to their banking customer, as, even if it had contacted Mr I, as it should have done, it would have been unlikely that Mr I would have refrained from proceeding. Therefore, its omission was not materially contributing to the loss. Moreover, *the bank was under no legal obligation to stop a transaction merely on the basis that the payee was trading illegally in the UK*.¹²⁰

(b) Partly upheld, partly not upheld. Bank not responsible for miscoding, but should have spotted binge gambling and should have contacted customer. This case involved two closely-linked, but separate complaints.¹²¹ First of all the complainant had applied a gambling block to his banking card. He then carried out a number of transactions, paying into a gambling deposit account with gambling operator C. Some of these transactions were blocked, others went through. But for each transaction Halifax had sent him a message stating that it had been blocked and so the complainant alleged that there had been technical errors in Halifax' systems. *On investigation it became clear that during the initial first round of authorisations the transactions were correctly declined because of the Merchant Category Code 7995. However, the merchant (the gambling operator) then changed the MCC to that of financial investments and securities in the second round of authorisations, so that the transactions went through. This was fraudulent behaviour on the part of the operator*, but the FOS held that Halifax could not be held responsible for this.

The FOS upheld the second part of the complaint, though. The complainant had engaged in *serious binge gambling with disastrous consequences and due to unusual nature of these transactions it was decided that Halifax should have spotted the transactions as unusual and recognized the complainant's compulsive behaviour and should have contacted the complainant*. On one occasion there was a series of large credits to the account in question and then *five transfers to the gambling operator within 24 hours, totalling £18,000*. Three months later he transferred again £15,000 in two instalments on the same day to the same gambling operator. That same day he took a director's loan of £20,000 and transferred that money to the gambling operator the next day, thus a total of £35,000 in two days. *The FOS held that the speed, nature and amount of transactions should have raised flags on Halifax' systems and they should have realised that this was an indicator of vulnerability and should therefore have contacted their customer and offered support much earlier*

¹²⁰ DRN-4035707, 4 August 2023

¹²¹ DRN-4065792, 20. April 2023

(Halifax feebly queried the transactions about a month after the last transaction). Because of this omission the FOS held that Halifax should pay the *complainant £500 in compensation*.

6. Bank Gambling Blocks and Banking Support Offered

6.1 Perspectives of the Banks

In this section we have summarized the perspectives of the banks under each of the topics raised in the interviews and highlighted the most important insights and best practices in blue boxes.

6.1.1 Overview Table: Measures taken by (some) banks

Overview gambling measures: Tools and personal support			
Tools			
BGB <ul style="list-style-type: none"> Card-based transactions: BANK GAMBLING BLOCK Multi-channel (phone, email, in branch etc) and as part of mobile app controls Lending restriction support tool: customer can block lending options (only one bank!) 	Gambling Spend Limit (30 days) <ul style="list-style-type: none"> Card-based transactions: allowing customers to set a gambling-specific spend-limit (e.g. £200 in a 30 day rolling period) Only one bank 	Card restrictions <ul style="list-style-type: none"> Other card-based transactions in app controls (and bank's own digital wallets): <ul style="list-style-type: none"> blocking/limiting ATM withdrawals block international payments single transaction limits overall transaction limits limit on contactless transactions card freezing blocking all online transactions (no cooling off period) 	Spend Analysis (IMPORTANT!) <ul style="list-style-type: none"> Money-manager tools= spending analysis by category of transaction, e.g. leisure & entertainment <=> does not usually single out gambling as such only one bank singled out gambling as a category one bank pushing gambling spending analysis to customers who are at risk of serious harm
Personal support requires training!			
<ul style="list-style-type: none"> Training for customer-facing colleagues to enable difficult conversations about gambling behaviour Different levels of training: <ul style="list-style-type: none"> gambling specific vulnerability/financial difficulties generally team champions for gambling-related harm providing support for colleagues in team. Importance of regular training helps conversation (eg opening a difficult conversation; use of language; non-judgmental; overcoming stigma and building trust) 	<ul style="list-style-type: none"> Signposting to external support organisations, such as the National Gambling Helpline, GamCare, etc and GamStop and GamBan Multi-channel: mobile, online, in branch and through customer facing colleagues 	ACTIVE HELP: 3 steps <ul style="list-style-type: none"> Conversation about gambling (whether raised by customer or bank), Assisting customer to activate tools and External referral Direct referral to external support (see also FN 29), Eg GamCare "warm referral" while the customer is on the phone/in chat/in branch- some banks are planning to pilot this next year. This is to ensure that the customer cannot "chicken-out". 	<ul style="list-style-type: none"> Pro-actively screening customers for gambling-related financial harm SYSTEMATIC REGULAR WAVES Flagging system on customer record Pro-actively contacting customers and active help Real-time monitoring of binge gambling -high transactions within a 24 hour period- text from bank with signposting to BGB and National Gambling Helpline

6.1.2 Design and Scope of the Gambling Block

Banks are making their support more useful by the input of people with lived experience, using GamCare materials and taking into account academic research. However more dialogue with people with lived experience would help to make the measures even more useful and effective.

The banks we interviewed regard the BGB as a customer service tool to help customers manage their gambling spend. It is not designed to promote abstinence from gambling, as it can be circumvented in any case. It is also seen as a temporary tool providing friction and helping with money management. It is a tool which is card-based, not account based, so rather than protecting an account it is tied to a means of payment.

Two of the banks interviewed initially implemented the BGB as an on/off toggle in the banking app, but, at the time of the interview, all banks had implemented a cooling off period which varied between 48 hours and 72 hours. The three banks with the 72 hours explained their thinking that 72 hours covered the long weekend (and sports events at that time). There seemed to be a general consensus that there should be a degree of friction before the block could be deactivated thus allowing the customer to use their card for gambling again. The view was expressed that this restriction on how customers can spend their money was fair to customers as customers had been informed about the cooling off period, which formed an integral part of the protection mechanism.

For all banks interviewed the BGB is based on the system of Merchant Category Codes implemented by Visa and Mastercard for debit and credit card transactions. Therefore, the BGB only applies to card transactions (and in the case of one bank, it additionally applies to that bank's own mobile e-wallet which is linked to the debit card). Consequently, the BGB does not apply to faster payments (and other direct bank transfers) and it does not apply to payments into 3rd party e-wallets (Skrill, Paypal).

Moreover, since the BGB is linked to a card- if there is more than one card associated with an account (e.g. different card holders), a BGB block has to be set for each individual card and each cardholder.

For many banks, if a customer with a BGB activated on their card cancels their card as lost or stolen, the replacement card will automatically come with the BGB activated. However, for most banks, if the payment card expires naturally, a newly issued replacement card *will not automatically* have the BGB activated. Only one of the banks interviewed always carries the BGB over to any replacement cards, whether the previous card has been lost or stolen, or whether it is a new card issued after the expiry of the old one. This continuity of protection seems important¹²², which we therefore recommend.

Replacement cards should ***always*** carry over any BGB which has been activated on the card.

¹²² And has generated a number of complaints to FOS, see Section 5.2

Many of the banks we spoke to do not automatically apply the BGB to business accounts or accounts held by minors. Only one bank told us that they are planning to apply a BGB on cards related to business accounts- here the decision was based on the idea that harm caused by someone gambling with funds in a business account was foreseeable and therefore this would be covered by the bank's duties to customers under the FCA Guidance towards vulnerable customers.

Furthermore, one bank told us that they have even discussed the option to have a BGB on *all* cards issued to new customers *by default*. If this default option is introduced, of course the customers would have the option to remove the BGB on their card with immediate effect, but would have to contact the bank to do so.

Most, but not all of the banks interviewed handle activation and deactivation of the BGB on the mobile banking app as part of a suite of controls sitting within the app. They told us that they offer other tools and controls which complement the BGB, for example blocking of international transactions (foreign transactions are frequently a problem), overall spend limits, card transaction limits, contactless limits, limiting ATM cash withdrawals, freezing a card temporarily or blocking all online or phone transactions. These money management tools could also be used to help customers to budget and to control gambling related problems, thus complementing the BGB, but, unlike the BGB, they do not have a cooling off period.

One important consideration in designing the BGB was easy access and ease of use. One bank told us that they felt it important to discuss the design of the block with people with lived experience to ensure the tool was user-friendly and useful.

Most banks do not require a phone call for either activation or deactivation of the BGB. However, one bank told us that they had discussed internally whether the BGB should be activated on the app but *always deactivated* by a phone call, as this would give the bank the chance to interact with the customer at that point and offer support, where warranted.

Two banks we did not interview state on their website that deactivation requires a phone call (Monzo and Chase Bank) and another states on their website that for *credit cards* a phone call is required for deactivation (Cashplus Bank).

One bank told us that they have not yet had the opportunity to roll out the BGB on the app itself and were therefore limited to email, phone contact and face-to-face in branch. But this bank emphasized that even once they have managed to roll out the *activation* in the app, they would then probably continue *deactivation* through personal communication (email, phone and face-to-face). This bank also said that there was an advantage to requiring contact with the bank, and over 90% of customers who had activated the BGB left it in place, ie it makes the BGB "more sticky" (but, of course, that figure included those customers who have never gambled and do not use the BGB to deal with gambling problems).

As will be seen later on in this Report, one of the greatest challenges for banks in helping their customers with gambling-related financial harm is to find a way of interacting with and referring customers to internal and external support. Therefore, it seems to us that all opportunities for interacting with customers potentially affected must be used, which- in our view, would be an important consideration for requiring personal communication for deactivating the BGB.

The banks interviewed designed the BGB to work across all banking channels (mobile, online, in branch, chat and phone) and tested it before it was launched with real people. Some banks told us that they thought it was also *important that the BGB was supplemented by signposting to external support agencies across all channels* (signposting in mobile app, online (web), phone and branch). The importance of this was additionally emphasized by our Lived Experience Participants.¹²³

In terms of scope of the BGB, all banks interviewed stated that they did *not* apply the BGB (or any other block) to cryptocurrencies, high-risk trading or gaming transactions. The main reason given was that there was no Merchant Category Code singling out these transactions so technically it would be impossible to implement a block. Furthermore, a block might catch legitimate investment activity. Nevertheless, most banks have identified harm stemming from these transactions and have had internal discussions how to reduce the risks associated with these transactions causing financial difficulties for some customers. One bank told us that it had implemented other controls for crypto, based on a maximum value of cryptocurrency transactions, namely a limit of £1000 maximum per transaction and a spend limit of £3000 in any 30- day rolling period. The bank regarded this as a fraud risk management measure rather than a gambling related financial harm measure. This tallies with the adjudication by the Financial Ombudsman Service where it has been found that banks should spot and warn against unusual transactions as part of their fraud prevention mechanisms, and if not, in the case of cyber-investment scams (but not for gambling losses) they were ordered to return any money lost due to fraud.¹²⁴

Moreover, two banks told us that they had customers complaining that certain “gambling-like” transactions were not blocked. These cases concerned for example transactions under Merchant Category Code 7994 (arcades) which were online games based on (minimal) skill thus avoiding their legal classification as gambling and involving customers paying a low price for a ticket giving them a chance to win a valuable item (such as a car)- these games caused issues of compulsive playing and financial harm and, therefore the banks were considering to include these type of games in the BGB.

Moreover, three banks told us that they had complaints in respect of gaming transactions such as lootboxes, which, while not gambling, cause similar issues.

Several banks have mentioned that a challenge they faced was that customers expected the BGB to block *all* gambling transactions (including those that customers subjectively perceive to be gambling, such as cryptocurrencies) regardless of the payment mechanism used. Therefore, if a gambling transaction goes through because it is a faster payment or a payment to a gambling operator who has miscoded their transactions, customers might feel “let down” as the BGB does not work to prevent these transactions. International gambling transactions were also mentioned as sources of complaint by several banks. The close connection between these transactions and gambling is also apparent from the ombudsmen decisions discussed in Section 5.2.

6.1.3 Gambling Spending Limit/Deposit Limit Tool

In addition to the BGB, we asked the banks about tools which would allow their customers to limit their (monthly) spending on gambling transactions. Only one bank has implemented such a tool. This allows their customers to limit their spending on gambling transactions within a rolling 30 day period and the customer can choose the amount of the limit. The bank reported that the average

¹²³ See p.25

¹²⁴ See p.40

limit was set at £200, but that only a small number of customers had made use of this gambling spend limit tool. As for the BGB, there was a 72 hour friction period to increase the limit. But if a customer wanted to further reduce the risk and decrease the limit this would be instantaneous. The bank is planning to advertise this facility more proactively.

Another bank was of the view that a gambling spend limit did not assist customers who had lost control and were seriously impacted by gambling-related harm, as they would be likely to successively increase the limit under an illusion of control. There was a view expressed that a spend limit was perhaps too flexible to be of real use for preventing serious harm.

This statement, in our opinion, raises two questions about what gambling support measures should achieve. First, are support measures *only* to address the most serious gambling related harm or are they also to assist customers who have not- *perhaps not yet*- lost control, but feel that they might just spend a little more than they can afford, thus helping them to improve their control on gambling spend? Secondly, even if someone is losing control over their gambling spend, should total abstinence necessarily be the outcome required? This question of the purpose of the BGB (and this question applies to similar tools, too) was raised by the participants with lived experience.¹²⁵ They expressed the view that these tools might help gamblers with moderate problems and might potentially prevent someone slipping from moderate gambling problems into severe crisis (the “deep hole” described by participants). As one of the participants expressed it: “*I think it needs to be caught before it becomes a problem*”.¹²⁶

Several of the banks interviewed expressed plans to introduce a gambling spend limit as they could see the potential benefit, but the majority felt that this required more research. This might also be an area where banks should consider including the lived experience of different customer journeys when assessing the potential benefits of deposit limit tools.

6.1.4 Personalization and Customization of the BGB

We asked the banks whether they had considered allowing their customers to customize the BGB according to their needs, for example in terms of when the gambling block is activated (e.g. weekends, night-time, sports season, around certain events) or whether they had considered offering a personalized BGB based on the behavioural data of customers. All the banks we talked to pointed out that the introduction of customisation and personalisation would involve an enormous amount of technical work, not least to their systems and would therefore be complex and expensive, probably completely disproportionate to what it would achieve. They also said that it would be a complex tool, impacting the ease of use for customers. One bank mentioned that they had personalization and customization of the BGB in their sight, but that they would first analyse the data relating to the use of their existing, standard BGB.

6.1.5 Giving Customers the Option of a Permanent BGB

We asked the banks whether they had considered giving their customers an option to activate a *permanent, irreversible* BGB which cannot be removed from their card. All the banks felt that this is not feasible, as customers should be allowed to spend their money on whatever they choose to spend it and it would be impossible for banks to refuse to remove a permanent BGB on a customer's card. A permanent block would raise legal compliance issues. Moreover, it would be

¹²⁵ See p.2222

¹²⁶ See p.22

ineffective, since customers would simply switch to another bank. Some of the banks have stated that they had internally discussed the feasibility of a longer cooling off period, for example 3 or 6 months. Some banks stated that if customers wished to be barred from gambling for longer the more suitable tool was self-exclusion (such as GAMSTOP) provided by the GB licensed gambling operators or Gamban (device-level blocking), as well as external treatment and support services.¹²⁷ This view has been echoed by some of the Lived Experience Participants who stated that GAMSTOP/Gamban are more powerful tools which obviated the need for the BGB for some people who are already in recovery.¹²⁸

The banks expressed serious doubts whether a permanent card-based BGB was suitable for achieving abstinence from gambling in the long term. One bank pointed out that there was a difference between banks providing account services (where customers were spending their own money) and lending, including credit cards (where responsible lending standards and risk management imposed an obligation on banks to limit their customers' spending).

6.1.6 Informing Customers about the BGB and Gambling Support Offered

It seems that affected customers' awareness of BGBs and similar tools is low¹²⁹, which impedes access to the tools and their usability. Additionally, it has been stated by persons with lived experience¹³⁰ that information about and the BGB itself were difficult to find, and the banks interviewed agreed that it was important that customers should be aware of, easily find and access the tool. The BGB is "easy to use but hard to find".

Information about the BGB and internal and external support is contained on the website and app (but see our finding that this information is not always easy to find or clear¹³¹), and colleagues assist customers by phone, chat and in branch, by helping to set the BGB (and other spending tools) and signposting to external support.

Some banks expressed a concern that they did not want to subject their customers to information overload, especially considering the wide range of products and tools on offer. Other banks stated that gambling was only one of several financial vulnerabilities customers might be exposed to, and mentioned other issues, such as financial exploitation. Moreover, gambling issues continue to be associated with social stigma and therefore may lead to negative sentiment. For these reasons, some of the banks expressed a slight hesitation to prioritise the promotion of the BGB in terms of onboarding information for new customers and pro-active advertising campaigns.

However, one bank stated that their experience had been the opposite- they found that stories in their newsletter about financial vulnerability, including gambling, always generated a high number of views and seemed to particularly resonate with their customers.

Moreover, our discussions with the banks showed *many good practices of promoting the BGB* as a tool and integrating this with *additional* support for customers experiencing gambling-related harm:

¹²⁷ FN 29. These methods are brought together by TalkBanStop, creating a layered approach to recovery.

¹²⁸ See p.21

¹²⁹ See p.23

¹³⁰ See p.23

¹³¹ See p.65

1. Banks have introduced a *vulnerability flagging system*. They train their customer-facing colleagues to spot customers with gambling issues and add a flag to that account. This alerts colleagues to mention the BGB to the customer when they have contact, and show them how to set it, and to explain how to access other gambling support measures.

2. Some banks *proactively* carry out customer support outreach programmes in regular waves. For this they *analyse their customers' transaction data* and identify customers suffering serious gambling related-harm. One bank told us that they pitched this at the thresholds set in the UK Gambling White Paper (2023) (£2,000 within 90 days; half of this amount for the 18-24 age group) as potentially indicating serious harm. The bank contacts these customers and offers support, including the BGB: this can open up a channel of conversation where customer agents can say to the customer "do you know that you have spent more than £5000 on betting in the last 30 days?". This conversation may alert the customer that they have reached that threshold and helps to get into that difficult conversation about gambling spend, resulting in these customers having a jaw-dropping moment where they suddenly realize that they may have a problem.

The bank stated that the most difficult aspect of banks supporting their customers was to help them realize that they should take action about their gambling spend. According to this bank, the problem with many gamblers was that they were living so much in the moment, that they were not thinking about their transactions of the last 30 days, but what counted for them was the now and placing the next bet to win.

This bank felt confident in having these conversations with its customers on the basis that they had tangible measures to offer affected customers, namely the BGB and a gambling spending limit. The bank emphasized that this proactive approach was justified, since, for their customers overall, gambling was one of the main drivers for financial vulnerability. Training customer facing colleagues in this area was key to their understanding of the Consumer Duty and helping them to overcome the reluctance to engage with these extremely challenging conversations. This mirrors what one of our Lived Experience Participants said about the importance of banks alerting customers:

"They probably nine times out of ten won't thank them [the bank staff] right there and then, but in the future, whenever they potentially get into recovery and sort their finances out, that might have been the point that they look back at and think, yeah, that, I'm really so grateful for that person who's helped me identify this and I've changed my life" (Participant 8)

3. Some banks carry out regular advertising campaigns for their BGB as a useful tool, for example annually celebrating the launch of the BGB and/or around Safer Gambling Week in the form of advertising banners (mobile app), social media campaigns, online and in branch.

4. Two of the banks interviewed have a *targeted* advertising campaign used within its mobile app. Using their customers' transactional data, they identify potential for gambling issues, and then target information about the BGB and other support *only* to these customers *specifically*.

One bank stated that they used customer data insight to determine who might be suffering from gambling harm, based on gambling transaction volume. They send a mobile banner advertising the BGB to these customers for them to see it as soon as they log in to the app, where it will stay for 4 weeks, the reasoning being that even if that customer does not regularly log onto the app, at least they might log on at some point over the period of one month.

Another bank stated that they displayed engagement messages to their customers when they login and that this was tailored to customers depending on their profile- such that if customers showed higher gambling spend, messages about card controls (including the BGB) and money management tools (allowing customers to analyse spend) were prioritized. This bank makes sure that the customers with higher gambling spend see these messages more regularly.

5. *Real-time, fast reaction to customers engaging in binge gambling* was mentioned by one bank. Where a customer's data indicates signs of a gambling binge, that is high transactions within a 24-hour period, this bank sends that customer a text message encouraging and prompting immediate action. This message will be in general terms, for example "it looks like you are gambling a lot right now, you can speak to the national gambling helpline by calling this number, or you can switch the BGB on by following these steps".

6.1.7 The Dilemma: When is the right point of intervention?

All banks interviewed mentioned the difficulty of talking to customers who displayed characteristics of gambling-related financial harm (in particular spending more than they could afford). The banks face a dilemma: on the one hand, it is frequently apparent from transaction data that a customer is running into serious financial difficulties due to their gambling spend, and many customers only take action, too late, when they have suffered financial ruin. On the other hand, if banks intervene early this raises questions about the personal autonomy of customers to spend their money as they wish, and additionally creates a concern that customers are seriously offended, if approached on this subject. This raises difficult questions about at what stage(s) in a customer's journey should the banks intervene.

When do banks proactively offer support? What is the right point of intervention?

- "Customers who we think are most at risk of harm, usually the top-end gambling spending customers"
- Based on the volume of transactions
- Thresholds set in the UK Government White Paper (2023) (£2,000 within 90 days; half of this amount for the 18-24 age group)

6.1.8 Difficult Conversations and Training of Customer Facing Colleagues

All banks felt that it was vital to support their customer facing colleagues through training on how to spot serious gambling-related harm and provide them with a knowledge base that equipped them, for example, with opening lines of conversation and made them aware of the language and phrases which should be used as well as asking open questions allowing their customers to articulate the issues themselves. Most banks use material provided by GamCare as an important source for their knowledge base.

One bank additionally emphasized the need of their staff to be non-judgmental. They had worked with GambleAware on their recent stigma campaign including powerful videos of people with lived experience. The bank used that as a base for their colleagues' training providing powerful and tangible insight into the impacts of gambling and how support should be offered.

One bank provides an e-learning module on its internal system to all frontline staff, based on GamCare training and encourages staff to do the module. New colleagues are asked to do firstly the general vulnerability training and, secondly the gambling-focused module. This bank additionally actively promotes Safer Gambling Week to raise awareness and times their training just before this annual awareness-raising campaign, so that they can effectively deal with any triggered customer reactions, such as customers reaching out for help and support. This is a good example for an initiative joining up a gambling support promotion campaign with staff training, aiming to make support more effective.

At some banks, not all customer-facing colleagues are trained as experts in gambling issues, whereas at others all customer-facing colleagues are expected to do the training on gambling. However, all banks we spoke to trained all frontline staff about vulnerability and financial difficulties, which included gambling to some extent (including awareness about the BGB). Some banks make this training mandatory once a year whereas others simply encourage their colleagues to do it.

Some banks have specialised vulnerability champions in each team, focusing for example on gambling, who act as experts to support colleagues and organise training within their teams. Other banks have an internal referral system at the first stage where frontline staff refer customers internally to the teams with specialist training in gambling issues, who then in turn help customers to use the relevant tools provided and/or refer customers to external support agencies.

Furthermore, banks have customer protection teams, which specialise in spotting suspicious transactions, preventing fraud and other crime, as well as money-laundering, and these teams are also trained in gambling issues. Sadly as we have heard from the lived experience these measures have not always worked¹³², which makes the implementation of training across all customer-facing staff teams even more important.

<p>Training</p> <ul style="list-style-type: none"> • Non-mandatory/Mandatory • Job-starters/annually/new initiatives (e.g. launch of BGB) • Timing with gambling awareness campaigns • Everyone or specialists within teams + internal referral 	<ul style="list-style-type: none"> ⇒ Gambling awareness and identifying customers with gambling issues ⇒ Awareness about BGB and other tools ⇒ Non-judgmental approach; language to be used ⇒ Phrases and how to open conversation ⇒ Open questions ⇒ Knowledge of external support options ⇒ GamCare materials
<p>Resources</p> <ul style="list-style-type: none"> • Knowledge-base and e-learning on systems • Face-to-face training 	

¹³² See p.24

6.1.9 Financial Statements and Spending Analysis

Most banks agreed that making customers aware of their gambling spend over an extended period (e.g. 30 days and 3 months) could be helpful to raise affected customers' awareness and, potentially, realizing that they should take some action and seek support. Only one bank objected that they did not wish to appear to be the "morality police" of their customers, and that the bank did not necessarily have the full picture if customers had more than one bank account, or spent money on gambling which could not be identified as such (e.g. cash payments or faster payments or miscoded transactions), and queried whether it would not be better if the gambling operators sent statements to their customers. This bank stated that they used to send out paper statements to their customers but stopped doing this after they received negative feedback, as gambling information sent out in a letter could easily fall into the wrong hands.

Most banks interviewed provide spending analysis tools as a standard feature in the mobile app. However, this spending analysis tool mostly does not yet single out gambling as a category and instead groups the gambling spend within the "leisure and entertainment category" or similar. One bank stated that they planned to provide a gambling spend analysis in 2024, probably as a monthly inbox message that summarizes gambling spend within customers' mobile app.

By contrast, one bank interviewed has adopted a detailed and *proactive approach to making affected customers aware of their spending on gambling* (as well as other spending), as a *reality check*, not just a budgeting tool, for which it has received positive feedback. *For those identified as at risk of serious gambling harms*, they call, send an email, or a letter to customers and this has not generated any complaints. Furthermore, they provide a sophisticated spending analysis tool to their customers in the mobile app which *shows gambling as one of the specified categories*. Additionally, they operate a *binge gambling prevention tool*, which recognizes very high gambling spends over a short period and reacts by sending a text message to the customer, immediately, as their transaction goes through. This is followed up in the course of the day with an email or a letter to the customer offering further support. This linking of high customer spending on gambling and an alert system is a good practice which should be adopted by all banks.

Furthermore, the spending tool sends proactive insight messages to the customer if their spending in *any* specific category is higher, for example, "your energy bill has gone up this month; would you like to look at that?". Furthermore, very recently this bank has added a gambling insight to this tool, so if a customer's gambling spend is going up, this tool will proactively send a notification to say, "we have generated a new insight for you about your gambling spend." If the customer accesses that, it will show them how much the gambling spend is, in total for that month and how it compares to the previous six months. It will also give them a list of all gambling transactions.

Next to that information sits a button allowing the customer to find out how to seek more support, and because they are on the mobile app already, there is another button that will take them directly to switch on the BGB at that point. This is an example of an automated notification system which may help customers to address gambling-related harm.

Customers affected by gambling-related harm and realising that action is needed

Our research indicates that one of the most difficult challenges for harm-prevention is to get affected customers to take action and seek support. A “reality-check” pushed to some customers, and actively allowing them to analyse their gambling spend and losses may be instrumental here. One bank has taken proactive measures in this respect through a set of tools in the mobile app: 1. Spend analysis, 2. Notifications and link to support (including the gambling block) and 3. Binge gambling prevention tool. Customer reaction has been positive.

6.1.10 Monitoring the Use of the BGB

We asked the banks interviewed whether they monitored *how their customers use the BGB*. Such monitoring should include data on its use, how many customers activate-deactivate-activate etc the BGB, and linking transactional and account data with the use of the BGB and other tools, in order to measure the impact of these tools on gambling spend and gambling behaviour for customers who are affected by serious gambling-related harm. It would also be important to measure how many customers ask for the BGB to be removed before the cooling off period has expired. Furthermore, customers' motives for setting a BGB could be analysed. Moreover, banks should analyse feedback from gamblers with lived experience of problem gambling, gamblers who have not shown signs of problem gambling, and non-gamblers.

It was mentioned by several banks that currently a number of customers used the BGB who were not gambling at all, probably to reduce the risk of card abuse or maybe to protect a family member.

All banks agreed that, in principle it would be useful to monitor the use of the BGB and how customers used it, in order to make it more impactful. However, one of the main technical challenges is to link data concerning the use of the BGB with the transactional data, in order to understand how the tool impacts customers' transactions. One of the banks said that they had some anecdotal case-studies evidencing that customers with serious issues improved their finances, then removed the block, overspent and then reinstalled the block and so forth. This bank said that they considered to carry out a data science project which would allow them to find patterns in the spending of people who ran into gambling-related financial difficulties with a view to predicting serious harm at an earlier stage. The purpose of such a data science project would be to better understand the paths of people running into difficulties and to understand how banks can intervene early.

One bank, which has not yet fully implemented the BGB, said that they planned to monitor use of the BGB and its impact on transactional data in order to assess its impact and in order to improve the tool. Another bank emphasized the importance of data analysis in the age of mobile banking, which allowed for much better product development, but pointed out that the analysis of behavioural and transactional data linked to the BGB currently required a lot of “elbow grease”. Most banks' monitoring is limited to a high-level data analysis on the number of activations and deactivations of the BGB at any given point in time.

One bank said that they started the BGB as a toggle on-off tool without any cooling off period, before moving to a 48 hour cooling off period. They compared the activation-deactivation data before and after the introduction of the friction period. Once they had introduced the 48- hour friction, they noticed that fewer people were deactivating the BGB- it stayed in place. But they also found that fewer people chose to activate the BGB. However, this reduction in the activation of the BGB could be due to the fact that fewer people now toggled between the two modes (ie fewer re-activations, as the BGB simply stayed in place).

6.1.11 Loopholes of the BGB

For all banks, the BGB or spend limit tools are only applicable to card-based transactions, where gambling is identified through the Merchant Category Code. Therefore, if customers use non-card based methods of payments, such as cash, faster payments or digital wallets operated by third parties (eg Paypal or Skrill) the BGB does not work and the transaction is not identified as a gambling transaction, which is a major technical loophole to the aim of allowing customers to block *all* gambling transactions. Thus, people with gambling problems can circumvent the block they have set earlier by using an alternative form of payment, which limits the banks' ability to empower customers to protect themselves.

One bank pointed out that in theory, richer metadata could be built into these alternative payments (such as faster payments) identifying the nature of the transaction. This could include the name of the establishment, and information about the goods/services ("what had been bought"). This would be inherently very complex and requiring co-ordination and, since transactions had to be seamless and reliable, would cause a huge overhead from an operational perspective.

Likewise, if (foreign, unregulated) gambling operators miscoded their operation, using a different MCC, even a card-based transaction would not be identified as gambling. One bank said that they had received a customer complaint about miscoding of a gambling transaction (several £100s of spending) by a casino/gaming arcade who had used the MCC for food and the bank notified Visa.

It has been discussed whether faster payments could be identified as gambling transactions if the bank accounts used by gambling operators for deposits could be identified by the banks and included in the BGB and other tools. One bank said that in the last 5-6 months they had seen a significant number of direct bank transfers (IBAN) to certain offshore bank accounts used for foreign gambling, so this was an issue they were aware of.

Most banks stated that it would be very difficult to implement a gambling blocking system for faster payment, as operators could evade the blocks by simply changing their accounts, which would lead to a constant catch-up game. None of the banks we spoke to thought that the proposal made by the Betting and Gaming Council to provide these account details had progressed or even taken shape yet. However, one bank thought that a blocking system based on merchant account numbers could be implemented as a feasible system, as long as the seamlessness of the transaction could be guaranteed. This has also been recommended in the UK Government White Paper.¹³³ Given that this is an industry wide systems issue, two banks said that they participated in the discussions within UK Finance to consider how these loopholes could be closed across the

¹³³ High Stakes: Gambling Reform for the Digital Age, 27. April 2023

industry. One bank said that they would have an open mind towards such a new tool, but would have to carry out a cost-benefit analysis specific to their customer base.

Because of this inbuilt limitation of the tools all banks said that the purpose of the BGB was *not* a guarantee for customers that they would be excluded from *all* gambling, but that the BGB was one support amongst others to empower affected customers to take action in respect of a gambling problem. The BGB creates friction which may help affected customers to gain insight into what they are doing. Therefore, the BGB should be seen as a tool around which the banks can build other support measures, in particular tools and referral services.

In respect of open banking, the banks interviewed said that this was not (yet?) directly relevant to the vulnerability and harm prevention work of the banks. Open banking could be relevant to any affordability checks carried out by the gambling operators in the near future. One bank stated that there was a lot of potential for good uses of open banking apps, but equally, there was potential for abuse by the gambling operators, and therefore good governance was important.

Loopholes: The Elephant in the Room?

1. Only card-based transactions identify gambling transactions as such through the Merchant Category Code. This means that gambling deposits made through other forms of payment such as cash, faster payments and certain e-wallets cannot currently be blocked.
2. Closing these loopholes is currently being discussed by Finance UK with a view to developing additional systems to identify gambling transactions in such a way that banking customers could opt to block them. For faster payments this could be a system identifying gambling merchant accounts, or a system using more metadata could be implemented. But such systems would themselves be subject to evasion, would require co-ordination across industry, and would be complex and expensive. From an operational perspective, seamlessness and convenience of transactions is extremely important.
3. At the moment at least the main emphasis is not on blocking, but creating friction to help customers who have opted into the card-based gambling block, to pause and to use the BGB as focal point for providing additional internal and external support.

6.1.12 Operational Successes and Challenges

All banks agreed that their BGB tool did not generate (m)any complaints. Two banks pointed to positive feedback from their customers, while another said that their most important success was that their gambling tools had averted real harm for affected customers. It also listed the fact that since training their frontline staff, their customer agents were much more willing and confident to spot gambling issues, to intervene and challenge, and to signpost help, where needed. One bank mentioned that use of the BGB has been continuously rising.

Another bank pointed out that the BGB enabled the bank to support their customers with a very strong course of action and that it gave the bank something they could immediately and easily do for their customers, and that this was an important aspect of the BGB. They said that the BGB ran

as a self-service facility smoothly, providing flexibility and helping people to control their spending.

As to operational challenges, several banks mentioned the technical changes which are required to implement the gambling block in the mobile app. The problem here was not necessarily the complexity of the tool, but simply that the relevant teams in the bank were so busy and had many other demands on them. One bank opined that increasing digital automation meant fewer and fewer personal contact with customers, which might create problems in building trust and effecting support and signposting in a sympathetic and personal way.

Two banks mentioned that for them the biggest challenge was that some customers had an expectation that the BGB would block all gambling and certain *similar* transactions as well (which are not coded as gambling transactions) such as *cryptocurrency* and *gaming* and *related entertainment*. This has generated a small volume of complaints, be it that the online gambling operator had miscoded gambling transactions or it was such a *similar* transaction. This led one bank to review Merchant Category Codes with Mastercard and to consider including other MCCs in the BGB. This bank highlighted gaming (lootboxes etc), in particular by minors, as causing similar issues to gambling and was considering to include these transactions in the BGB if the scale of the problem warranted this cause of action. By contrast, another bank reported that they had not had complaints about the loopholes of the BGB.

Two banks mentioned that they considered it to be a problem that gambling operators increasingly adopted faster payments for depositing money, and that the bank could not offer their customers a BGB for faster payments, if a customer requested one.

Another bank said that their current main challenge was data and being able to fully analyse how the BGB was being used by their customer database.

Moreover, one bank told us that their greatest concern was designing the support in such a way as to avoid any impact on affected customers' credit reference record. Moreover, this bank also identified a challenge with the concept of friction: customers in the digital age expected a fast and seamless service so that friction incorporated into transactions were damaging commercially.

Finally, several banks mentioned that customers with gambling problems frequently rejected any support offered by the bank and that it was a challenge to support these customers to help themselves.

6.1.13 Referral to External Support and Direct Referral Systems

The tools such as the BGB are supplemented by referrals to specialist external agencies, such as the national Gambling Support Helpline, GamCare and treatment centres.¹³⁴ The banks we interviewed provided details on how to access these services to their customers when they are communicating to them about gambling (email, phone, chat, mobile inbox, in branch, letter). One bank also said that they had produced a credit card sized information card with contact information for external and internal gambling support, which colleagues in branch could discreetly hand to customers or display in branch. One bank emphasized the importance of a direct handover to GamCare without wait and much delay, so that the customer cannot change

¹³⁴ See FN 29

their mind or lose confidence to tackle the problem. This bank is planning to introduce a warm handover service in 2024.

6.1.14 Main Obstacles to Support Customers with Serious Gambling Issues

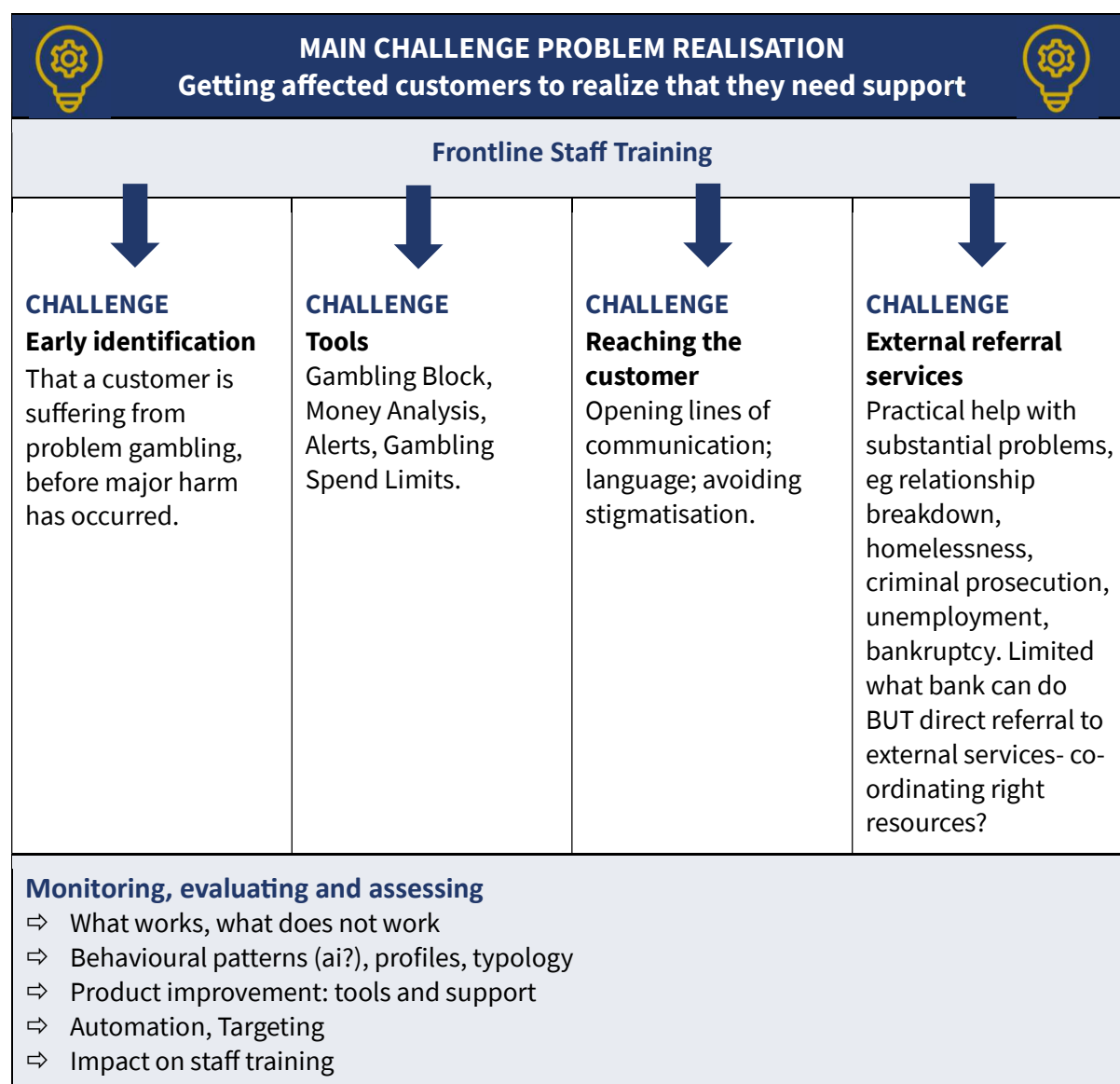
All banks stated that the main obstacle was customers' unwillingness to seek help before they had reached an absolute low point in a gambling crisis and to raise awareness of the support available. One bank reflected on this by saying that in some ways it would be good to have a default limit for gambling on each and every card. While this would not save every tragic story it would protect a number of people from severe gambling harms. The argument for such a measure would be that vulnerability protection matters to customers.

Another bank mentioned that customers may be reluctant to seek help from their bank because of a concern that this may affect their credit rating and that it was therefore important to build trust in this respect and clearly provide the information that using gambling tools, lending restriction tools or seeking support for gambling problems *did not* affect their credit rating. There was not enough information to give customers the assurance that nothing bad would come from seeking help and it was also important to ensure that customers did not feel stigmatised or blamed for their gambling problems and their suffering.

One bank mentioned as an obstacle the fact that the bank may not have the full picture, be it that the customer was using several bank accounts, be it that the transactions could not be linked to gambling, such as cash transactions or faster payments.

6.2 Summary of the Main Challenges Faced by Banks

Figure: Summary challenges for banks to support their customers with problem gambling and how to address these challenges.



6.3 Overview of the Bank Gambling Blocks- Tables

Table 1: A-D

	Bank of Scotland	Barclays	Cashplus Bank	Chase Bank	Danske Bank
Which transactions are covered?	Online or in person transactions using the debit card.	Online or in person transactions using the debit card.	Online, Bank App, over the phone and at ATMs (Both debit and credit cards).	All transactions on the debit card.	All transactions on the debit card.
How does the customer set the BGB and does this involve a phone call?	Mobile banking app (no phone call required).	Mobile banking app (no phone call required).	Mobile banking app (no phone call required). For Credit card* - phone call required.	Mobile banking app (no phone call required).	By sending mail, by phone call or in person.
How long will the BGB stay in place?	Not clear (not expressly stated).	Not clear (not expressly stated).	Not clear (not expressly stated).	Not clear (not expressly stated).	Not clear (not expressly stated).
How does the customer deactivate the BGB and does this involve a phone call?	Mobile banking app (no phone call required).	Mobile banking app (no phone call required).	Mobile banking app (no phone call required). For Credit card- phone call required.	Yes, the customer must call the service helpdesk.	Not clear
What is the cooling off period after deactivation?	48 hours	72 hours	Not clear	48 hours	72 hours
What information is given about the gambling block?	How to activate and deactivate, the duration of the cooling off period and a brief explanation of how the BGB works. They offer a spending insights tool and a helpline for confidential and non-judgmental support. They also offer the option to switch your debit card to ATM	Lived experience of customer who used the BGB, how to activate and deactivate the BGB, and the duration of the cooling off period.	How to activate and a brief explanation of how the BGB works.	How to activate and deactivate the BGB, the cooling off period, and description of the types of transactions blocked.	Lived experience of customer who used the BGB, how to activate the BGB, and the duration of the cooling off period.

	transactions only.				
Is this information clear and easy to understand? Why?	Yes it is. The language is simple and the information is precise	Not particularly. Leading with a lived-experience story may lose the attention of an impulsive customer who needs help instantly. However, when one follows the link within the story, the information is clear. There is also a video with a step-by-step guide of how to restrict gambling transactions, which is great for accessibility.	Insufficient information e.g. how to deactivate, the duration of the cooling off period. (The information on their website has not been updated since 2019).	The information is easy to understand. The language is simple and instructions are precise.	A story is used to frame the issue- once again, this may not be ideal if the customer needs urgent help. The information regarding activation and deactivation is, however, clear. The only notable deterrent is that one cannot activate the block by oneself and has to call or email for assistance with this.

Table 2: F-N

	First Direct	Halifax	HSBC	Lloyds	Monzo	NatWest
Which transactions are covered?	Debit cards	Debit cards (but not direct debit or bank transfers). They also offer a gambling limit tool.	Debit cards, including pay by bank app. Also offer ATM limits	Debit cards	Debit cards	Debit cards and credit cards.
How does the customer set the BGB and does this involve a phone call?	Mobile Banking App (no phone call required).	Mobile Banking App (no phone call required).	Mobile Banking App (no phone call required).	Mobile Banking App (no phone call required).	Mobile Banking App (no phone call required) OR you can call customer service.	Mobile Banking App (no phone call required).
How long will the BGB stay in place?	Not clear (not expressly stated).	Not clear (not expressly stated).	Not clear (not expressly stated).	Not clear (not expressly stated).	Not clear (not expressly stated).	Not clear (not expressly stated).
How does the customer deactivate the BGB and does this involve a phone call?	Mobile Banking App (no phone call required).	Mobile Banking App (no phone call required).	Mobile Banking App (no phone call required).	Mobile Banking App (no phone call required).	Phone call to customer service.	Mobile Banking App (no phone call required).
What is the cooling off period after deactivation?	72 hours	48 hours	72 hours	48 hours	48 hours	48 hours
What information is given about the gambling block?	How to activate and deactivate, the nature of the BGB/ how it operates, the cooling off period, and Frequently Asked Questions.	How to activate and deactivate, the cooling off period and an explanation of how the BGB works. A lived experience is shared, as well as links to professional help.	How to activate and deactivate, the cooling off period and an explanation of how the BGB works. A video offering help is shared, as well as FAQs and links to professional help.	How to activate and deactivate, the nature of the BGB/ how it operates, the cooling off period, and Frequently Asked Questions. They have a gambling limit tool and the option to switch to an	How to activate and deactivate, the nature and operation of the BGB, the rationale behind establishing the BGB, links to additional support such as GamCare, GamStop, etc	A link to GamCare's self-assessment tool, instructions on how to download the app and set up the BGB, how to deactivate the BGB and the cooling off period. There is also a FAQs section.

				ATM only card.		
Is this information clear and easy to understand? Why?	<p>The information is concise and easy to understand. The addition of the FAQs makes it very easy to understand the way the BGB operates. It also makes room to address very specific concerns such as loss or replacement of a card, overseas travel, joint accounts.</p>	<p>The information is easy to understand because it is plain and simple. It also goes straight to the point first, and then shares details and the lived experience thereafter.</p>	<p>The information is clear and easy to understand due to plain and simple language. The web page layout is also easy to use.</p> <p>The video is great for customers with special accessibility needs.</p> <p>The information is under the card support section of the help tab; this might not be easy to locate.</p>	<p>The information is concise and easy to understand.</p> <p>It is also situated under the 'support and wellbeing' section of the help tab, making it easy to find.</p> <p>The search bar on the website also returns a link to this information, which is helpful.</p>	<p>The information is easy to understand, as it is plain, direct and summarised.</p> <p>It is however found on a blogpost rather than on the website itself. This might not be easy to locate where one does not have a link to the blog.</p>	<p>The information is plain, direct and therefore easy to understand.</p> <p>Whereas the information is under the 'life moments' tab which might not be easy to identify as the appropriate tab, there is a search bar which yields direct results to the page with all this information.</p>

Table 3: R-U

	Revolut	RBS	Santander	Starling	TSB	Ulster
Which transactions are covered?	Debit card	Debit card online/ in-app transactions and mobile wallets such as Apple Pay.	Debit cards	Debit card	Debit card	NatWest debit or credit cards.
How does the customer set the BGB and does this involve a phone call?	Mobile banking app (no phone call required).	Mobile banking app (no phone call required).	Mobile banking app (no phone call required).	Mobile banking app (no phone call required).	Mobile banking app (no phone call required).	Mobile banking app (no phone call required).
How long will the BGB stay in place?	Not clear (not expressly stated).	Not clear (not expressly stated).	Not clear (not expressly stated).	Not clear (not expressly stated).	Not clear (not expressly stated).	Not clear (not expressly stated).
How does the customer deactivate the BGB and does this involve a phone call?	Mobile banking app (no phone call required).	Mobile banking app (no phone call required).	Mobile banking app (no phone call required).	Mobile banking app (no phone call required).	Mobile banking app (no phone call required).	Mobile banking app (no phone call required).
What is the cooling off period after deactivation?	48 hours	48 hours	48 hours	48 hours	48 hours	48 hours
What information is given about the gambling block?	The nature and operation of the BGB and cooling off, how to activate and deactivate, and further resources to help with gambling.	Link to GamCare's self-assessment tool, explanation of the BGB and cooling off period, how to activate and deactivate, and links to further help/support.	Description of the gambling block and its operation, how to activate and deactivate, and the cooling off period. There is also information on the signs that gambling is causing harm to one's finances, and the practical steps that one might take in those circumstance	How to activate and deactivate the BGB, and the cooling off period.	How to activate and deactivate the BGB, signs that gambling is getting out of control, ways to manage gambling, links to additional support, and frequently asked questions.	A link to GamCare's self-assessment tool, information that you can activate the BGB on the NatWest app, and links to further gambling assistance. There is also a FAQs section.

			s. There are also links to external support.			
Is this information clear and easy to understand? Why?	<p>The information is very concise and easy to understand. This is because it goes straight to the point. The website also has a search bar which makes this information easy to find.</p> <p>The information is however displayed on different webpages i.e. one page for activation, another for deactivation. This can be cumbersome to keep up with.</p>	<p>The information is plain, simple and easy to understand. The use of FAQs also makes it easy to understand specific aspects of the BGB. There is also a search bar, into which a user may type any further questions.</p>	<p>This information is clear because it is expressed in simple terms. There is also a ChatBot and links to the web page- this bot can be used without logging in.</p>	<p>The information is clear because it is very targeted, simple and summarised.</p>	<p>The information is fairly easy to understand and locate on the website.</p>	<p>Despite there being so much information about GamCare and other support tools, there are hardly any instructions about how to activate the actual BGB apart from a note to say you can activate it on the NatWest app. The information is therefore insufficient.</p>

6.4 Accessibility of the Information

SUMMARY Suggestions for improvements:

Banks may wish to ensure that the tab which links to the information about the BGB is easily identifiable, by placing it on the **main page/ user interface**.

The information could also be placed on the “help” pages or “struggling financially pages” (for example Royal Bank of Scotland) or on “support pages” (for example Santander). Banks should have a search bar on their website. With the search bar, customers can enter ‘gambling’ as the topic and receive direct links to the information about the BGB. (Examples of effective search tabs are Lloyds Bank and Revolut).

Another good option is to have ‘Gambling Help’ or ‘Gambling Problems’ as a prompt on the ChatBot. Most Banks’ ChatBots give automated responses suggesting options of help topics such as ‘account help’ and ‘fraud’- the app and website developers can add a number of gambling related prompts to ease the customer’s access.

Include an audio-visual presentation of the BGB.

Finding the information is not always straightforward. We examined the websites of the banks, where most of them offer information regarding the bank gambling block.

On some websites, the information is easy to locate, but for a number of other websites, a customer may face some difficulty accessing the information on BGBs, for example:

- Some websites only have this information on a blog, rather than on the main website interface. This makes the information disjointed, especially where the website does not have a search bar.
- Some websites put the information under captions making the content opaque such that one might not instinctively think to look there, for example, on the NatWest website, information about the gambling block is under a tab labelled ‘life moments’. This might not be helpful where the customer is in a moment of impulsiveness or distress.
- From an accessibility standpoint, customers with learning difficulties such as dyslexia and related conditions should be considered. Only one website had a video/audio presentation regarding the block.

7. Recommendations

We have stated at the outset that this Report is addressed to three groups: 1. people with lived experience of gambling harms, 2. banks, to inform their practices and, 3. to regulators (and in particular the Financial Conduct Authority). We have recommendations for each of these groups. Most of our recommendations are addressed to the banks (with relevance to other credit card providers, too), since our goal was to make best practice recommendations to improve the BGBs and measures taken by banks.

Recommendations to Regulators

We have encountered many excellent examples of best practice for supporting persons with gambling-related harm, developed and progressed by the banking sector. So, while there is a fair amount of discussions and positive innovation, implementation is patchy. This means in practice that the degree of support for people experiencing harm is a question of luck. Competition between banks is unlikely to drive up standards in respect of the protection of vulnerable customers, as it is unlikely that customers choose their bank according to the level of gambling protection provided. Therefore, clearer guidance and minimum standards as to what the new Consumer Duty means for protecting individuals experiencing serious gambling harms is necessary and we recommend that the FCA should consider issuing Guidance in this respect and we hope this Report is useful for this purpose.

Recommendations to People with Lived Experience of Gambling Harms

It was stated by our participants that there is little awareness of the tools and support offered by the banks outside safe spaces and that many people going through a phase of intense gambling harms are not aware of these tools and support. It would therefore be helpful if people with lived experience (and we acknowledge that not everyone's experience will be the same) could consider ways of raising awareness of these tools for people who gamble. Obviously, GamCare has carried out excellent work in this respect, but what other agencies may reach through to problem gamblers before or during their intense gambling phase?

Secondly, we believe many of the banking measures could be improved by a closer dialogue between the banks and lived experience and this should be facilitated urgently. While some of the banks have involved lived experience in designing and testing their tools, a wider dialogue is necessary including concerning the analysis of measures taken by the banks and design questions.

Recommendations to Banks

Best practice shows that the Bank Gambling Block is not a free-standing tool- it should be embedded in processes and support measures. It may be helpful to think of four categories in this respect: 1. *tools and their design*, 2. *supportive communication*, 3. *analysis* and 4. *staff training and reaching affected customers*. We recommend that banks consider these four areas as vital for supporting vulnerable customers affected by gambling harm. The table [above](#) gives an overview of these processes and support measures, reflecting the best practice we have found in our interviews with the banks. Depending on the wider business strategy of a bank these processes and measures can be targeted and automated (say within a mobile app), or personal and based on personal interaction within a traditional banking channel (branch or phone).

1. Tools and their Design

1. *More than one tool*: the most prominent tool is the card-based BGB, but other tools are equally important: spending analysis tools and/or financial statements showing gambling spend. This information should be pushed to affected gamblers and be accompanied by the option to block all online transactions through a card block (including payments to third party e-wallets, crypto-currency and online gambling). Other important tools offered are: a gambling deposit limit tool, and effective, general budgeting tools (such as virtual cards in mobile wallets which can be used only for certain types of purchases) and other types of card blocks offered to affected gamblers (e.g. blocking international transactions), see above.

2. *Bank Gambling Block by default*: banks should consider issuing all debit cards with a BGB pre-installed which the customer can remove with immediate effect. Customers would therefore have to pro-actively opt into gambling and could be informed at that point that they can reset the block or use one of the other control tools. This would increase awareness of the tools and support. Banks should block remote gambling on all UK issued credit cards by default, which a number of banks already do. This would prevent gambling with foreign illegal, unlicensed operators (who are not subject to the GB Gambling Commission's ban on credit cards as a payment method). Therefore, this measure would significantly increase protection. Banks should consider a BGB for all banking cards issued to minors and to cards issued for business accounts.

3. *Continuity with replacement cards*: replacement cards should always carry over any BGB which was activated on the card replaced.

4. *Gambling spend and limit tools*: two tools should be highlighted as constituting best practice. First rather than merely completely blocking gambling card transactions, customers should have the option of a *spend limit tool*, limiting the amount which can be spent on gambling per month or a 30-day rolling period. Secondly, banks should actively push financial statements, or a gambling spend analysis to their customers. This can be delivered through the post or in the mobile app or online inbox (with the latter two options providing greater privacy). Helping customers to realise how much they spend on gambling might give them that realisation that they need to do something about their gambling, and as discussed, this realisation is difficult to achieve, but constitutes that vital first step towards recovery, which is so difficult to achieve, as frequently friends and family do not know about the predicament of problem gambling, see above. Potentially this spend analysis could be targeted *only* at those customers who are gambling more than they can afford. Banks who already provide a spend analysis but do not single out gambling as a discreet category should do so now.

5. *Do not lend to me tool*: while this research did not focus on lending, one bank mentioned that they had introduced a tool which allows customers to flag on their account that they do not wish to have a loan online. This might again be a very useful and important tool for vulnerable customers experiencing gambling problems (as well as other customers, for example to prevent identity theft).

6. *Blocking online transactions*: the final tool we recommend is the option of blocking all online card transactions, including gambling, crypto-currency and payment into third party e-wallets. A number of banks have already introduced the option of such a block. This tool should also come with a cooling off period/friction. This online transaction block should allow for certain carve-outs/exceptions, for example for certain MCC categories (such as groceries and food) or for certain merchants.

7. *Friction: as a minimum*, BGBs and other tools should have a *cooling off period of at least 48 or 72 hours*, but banks should be open to *extending the cooling off period*. Some of our Lived Experience Participants felt that this friction is far too short (“being told on Wednesday to go partying on Friday”, see [above](#)). Other participants felt that even short friction provides some “peace of mind”([above](#)), as it helps with a short-lived gambling urge. It has become clear from the interviews that the BGB are adopted by customers but there seems to be relatively little analysis on how customers use the block and how activating and deactivating impacts on their gambling losses. We recommend that banks should carry out research and consider introducing longer friction periods (a week?; three months?).

2. Supportive communications

1. *Signposting and referral*: customer support involves banks proactively communicating with customers about their gambling problems, offering first line advice and sign-posting, or referring to external, specialist gambling support organisations.

2. *Binge gambling intervention*: banks should monitor for signs of “binge gambling”- unusually high amounts of gambling spending in a short interval of time- and institute [alert and intervention systems](#), such as a text message with a link to tools and external support organisations.

3. Analysis: making protection more effective

1. *Analysing the effectiveness of tools with input from lived experience*: the third activity involves banks monitoring the effectiveness of the tools and analysing their use combined with transactional data. Banks should have a dialogue with lived experience and consider the design of their products in the light of this experience. Banks should monitor and analyse their customers’ use of the BGB and other tools and how this behaviour impacts on gambling spend and financial health. Behavioural data concerning the BGB should be correlated with transactional data on an anonymous basis. This analysis could be used to improve the design of the BGB and other tools and, product design more generally.

2. *Loopholes in protection*: we have described the loopholes of the BGB as the “elephant in the room”, see [above](#). Closing these loopholes would be attractive as it would then really allow affected customers to block gambling transactions. We acknowledge though that this might involve a gargantuan effort, which might be disproportionate (as gamblers tend to find new loopholes). We nevertheless recommend that banks should work together (through Finance UK) to develop a system which would block certain account numbers or merchants for faster payments and consider blocking mechanisms for open banking (if implemented as a payment mechanism).

4. Staff training and reaching affected customers

1. *Empowering front line staff*: training is important because it empowers front-line staff in having challenging conversations with customers affected by problem gambling, finding suitable opening lines for communication, using suitable language and creating trust, and improving their understanding of the features of problem gambling and reducing problems of bias and helplessness. Banks should train their customer-facing staff across all banking channels. Most of the banks we spoke to embed this training in their e-learning knowledge base and actively encourage their staff to do this training once a year. Other banks have vulnerability champions who do this training for their colleagues. Training should encompass (i) the identification whether a customer is suffering from problem gambling, (ii) how to open the difficult conversation about

the customer's situation and gambling losses and this includes communication methods and language used, (iii) knowledge about the tools offered and activating them with the customer and (iv) know-how about signposting and referral to external, third party organizations.

2. *Early recognition of gambling problems*: it is important to enable customers experiencing gambling problems to seek help as early as possible and to recognize the signs and symptoms of problem gambling long before the person has suffered the most serious harms such as financial ruin, relationship breakdown or committed criminal offences such as theft and fraud. Two best practices are: one bank analyses their customers' gambling spend on a regular basis, and, if this reaches one of the thresholds set out in the UK Gambling White Paper, the bank alerts the affected customers and offers help. Another bank uses advertising campaigns for their gambling harm prevention tools, targeted to those customers whose transactional data indicates that they are gambling above a certain level. The advertising is delivered in the mobile app and encourages these customers to set the BGB and reach out for support.

3. *Proactive customer support*: this should include the following: (i) proactively identifying customers who suffer from problem gambling and flagging them (ii) reaching out to these customers and alerting them to their gambling spend and offering to install the tools with the customer and (iii) referring these customers to internal and external support.

4. *Warm transfer to GamCare*: banks should consider subscribing to the "warm transfer service" provided by GamCare, which transfers the customer to GamCare while online or on the phone, thus preventing the customer from changing their mind.

5. *Advertising support for customers affected by problem gambling*: banks should advertise and promote their gambling support measures. They should also proactively provide information about external tools such as self-exclusion (GAMSTOP), and device-level filtering (Gamban) which can supplement and reinforce the tools offered by banks.

Annex I Questions (Banks)

QUESTIONS TO BE ASKED DURING INTERVIEWS WITH BANKS

The Gambling Block, how it applies and to what it applies

1. Can you explain how the gambling block you offer works and what influenced its design?

Prompts: Does the block apply to the account or the card? Why was it set up this way?

What is the cooling off period?

What was the thinking behind the cooling off period you have chosen (if any)?

2. Do you apply the GB to cryptocurrency transactions, (any type of) gaming transactions and high-risk trading transactions? If yes, could you explain further how this works?

Varying the Modalities

3. Do you have or are you planning a gambling spending limit/deposit limit tool? Would this be a good idea? Why? Why not?

4. Would it be possible to further personalize and customize the GB for different customers?

Prompts: In terms of when the gambling block is activated (e.g., weekends, night-time, sports season, around certain events)?

Prompts: Can this personalization be based on customer spending behaviour (behavioural data) - should it be?

5. Do you think in addition to the GB which can be switched off by customers, should customers also be able to opt for *a permanent* GB (which *cannot* be switched off)?

Promoting the Gambling Block as a Service, Development and Monitoring

6. How do your customers find the GB?

Prompts: Where does the information about the GB sit: app/web/branch/phone banking? Do you have any other channels where you promote or publicise the GB?

7. How do you support customers who wish to set the GB on their account? Do you ask them questions about their gambling behaviour?

8. Do you monitor how the GB is used by your customers, and if so, how?

Prompts: Would it be possible to obtain specific figures for example, how many customers reactivate the GB before the lapse of the cooling off period, and how many use the cards for gambling transactions after the cooling off period?

9. Have you identified any operational success/challenges with the GB that you offer?

Prompts: What were they?

Other Supporting Measures

10. Do you send regular statements about *spending on gambling* and how much gambling customers lose (as a *reality check* rather than just a budgeting tool)? Do you think such a reality check could be useful?

11. What other supporting measures do you have in place to protect against harm from gambling?

Prompts: Do you allow your customers to limit/restrict ATM withdrawals?

12. Do you have staff (customer agents) gambling awareness training and how is this implemented?

13. Do you have a direct referral system to other helplines/organisations and how does that work? (e.g., Talk Ban Stop; GamCare's warm transfer service?)

14. What do you think are some of the main obstacles to helping your customers who are affected by gambling issues?

Prompts: How can some of these obstacles be overcome? (e.g. language, communication, training?) Examples please?

Circumvention of the Gambling Block

15. In your opinion, are there loopholes/limitations to the usefulness of GBs? How might these be mitigated?

Prompts: Our understanding is that currently gambling transactions are identified by the Merchant Category Code (MCC) and that there are gambling transactions which avoid this detection

16. Can payments to e-wallets (PayPal, Skrill, etc)/bank transfers/faster payments be identified as gambling transactions? And if so how?

17. In your opinion, what are the issues raised by open banking facilitated payments for the GB?

18. Do you participate/envisage participating in the Betting & Gaming Council initiative to feed in operators bank account details (IBAN) into the GB system?

Prompts: There is a proposal that additionally to relying on the MCC, the bank account numbers of gambling operators would be used to recognize a transaction as a gambling transaction and therefore used to block gambling transactions (thereby catching direct bank transfers to gambling providers, which would not be stopped by a system relying on MCC).

Annex II Questions (Lived Experience Participants)

Lived Experience Interview Questions

Research question: How do people who have experienced gambling harms understand, think about, and experience bank gambling blocks?

Time: between 45 minutes- 1 hour.

Interviewer: *(Will remind the participant that they do not have to answer any question they don't want to and that they can stop the interview at any time with no negative repercussions for doing so. Also, that the audio of the interview will be recorded)*

We are going to briefly discuss your experience with gambling and then move on to discuss your use, understanding, and thoughts about bank gambling blocks.

1. Firstly, could you give a brief overview of your own experience with gambling?

Prompts

- *When did you start gambling?*
- *How do you gamble (apps, bookies, sport, etc)*
- *Have you ever experienced problematic gambling?*

2. What is your experience of bank gambling blocks?

Prompts

- *Have you heard of them/used them?*
- *How easy/difficult were they to use?*
- *How easy/difficult was it to find information on the bank gambling blocks?*

3. What are your opinions on bank gambling blocks?

Prompts

- *How useful/helpful did you find bank gambling blocks?*
- *How useful/helpful do you think other people might find bank gambling blocks?*

Interviewer: These Gambling Blocks can usually be activated and deactivated again in the mobile app or by calling/visiting the bank. After the person has deactivated the Bank Gambling Block, most banks set a “cooling off” period during which you cannot use your account for gambling. So, the customer is stopped from gambling for a bit longer (after they have taken the block off). Only after the cooling-off period has expired can they pay for gambling with their card.

4. What are your thoughts on having a cooling-off period?

Prompts

- *Is it a good idea?*
- *(If so) how long do you think the cooling-off period should be?*

5. How do you think people should engage with the gambling block?

Prompts

- *How is it best to set up the block? Through the app/phone call to the bank?*
How is it best to remove the block? Through the app/phone call to the bank?

6. Based on what we've just discussed, could any changes be made to the blocks to encourage you to use them?

Prompts

- *Is there anything that could be added/taken away that would make bank gambling blocks work better for you?*

7. What else (if anything) could banks be doing for customers experiencing gambling harm?

Prompts

- *What do you think about deposit limits?*
- *What about regular statements showing how much of someone's income is spent gambling?*

Interviewer: Thank you very much, those are all the questions I have for you. Before we finish, is there anything more you would like to add or anything else you would like to say?

