

Gambling Related Financial Harm in Affected Others

Gambling Related Financial Harm Workshop #4 Summary of key insights and proposed actions for relevant sectors to consider

GamCare's Gambling Related Financial Harm (GRFH) programme is a cross-sector initiative to share knowledge, develop resources, and enable organisations to help customers affected by financial harms as early as possible. GRFH Insight Workshops bring relevant sectors (financial services, debt advice, gambling businesses and gambling support services) together to share knowledge and raise awareness about key and emerging issues relating to gambling and finances. You can read more about GamCare's GRFH work here. The most recent event in our series of Workshops explored gambling related financial harm in affected others. The term 'affected others' refers to those impacted by person's gambling.

The impacts of harmful gambling can be wide-reaching and affect families, close friends, social and community networks. Research suggests that a person's gambling can affect six other people¹ ('affected others').

54% of affected others accessing GamCare's Helpline and Treatment services report financial difficulties. A survey undertaken by Citizens' Advice found that over two thirds of affected others (69%) had to cover the costs or debts of the gambler². And whilst in most cases family and friends choose to help the gambler financially, some report being defrauded or manipulated into giving the gambler money and unwittingly coerced into debt.

In February 2022, GamCare facilitated an Insight Workshop to look at gambling related financial harm in affected others. The event brought together more than 70 representatives from financial services, debt support, the gambling industry, gambling support services, local authorities, as well as experts by experience. The session highlighted the significant emotional and financial burden that gambling can have on affected others, as well as the shame and stigma they may experience when seeking advice and support. Anyone trying to support the gambler in recovery usually has to navigate complex journeys to manage the gambler's finances, and don't often think about protecting their own financial situation or emotional wellbeing, nor know what support or resources are available.

1 Belinda C. Goodwin, Matthew Browne, Matthew Rockloff & Judy Rose (2017) A typical problem gambler affects six others, International Gambling Studies, 17:2, 276-289, DOI: 10.1080/14459795.2017.1331252

2 Citizen's Advice. Out of Luck - An exploration of the causes and impacts of problem gambling [Internet]. Available from: https://www.citizensadvice.org.uk/Global/CitizensAdvice/Consumer%20publications/Out%20of%20Luck.pdf This document summarises key issues discussed during the Workshop, and includes suggestions for improvement for organisations around:

- 1. Enabling affected others to protect their own financial futures
- 2. Safeguarding affected others from gambling related economic abuse and/or fraud
- 3. Supporting affected others who are managing a gambler's finances

GamCare and the GRFH Project Steering Group support a cross-sector response to drive changes forward. We see these actions as 'everyone's business' and we believe that all the relevant sectors and organisations below could take an active role in supporting those affected by gambling related financial harms, and ideally preventing harm before it happens.

The first part of the event was recorded and can be viewed as a webinar here.

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"My husband was completely out of touch with the reality of his financial situation. It took us 6 months to piece together a picture of who he owed money to. We borrowed from family and friends and used savings to pay off my husband's gambling debts."

AFFECTED OTHER



1. Enabling Affected Others To Protect Their Financial Futures

The Challenge

Finding out that someone close to you has a gambling problem can be a confusing and frustrating time, particularly if the affected other is financially linked to the gambler. Support is available to help affected others emotionally and help them move forward, but the feelings of shame and the stigma around gambling can act as barriers in getting that support. The financial impacts of gambling can be extensive and affected others often experience financial difficulties and debt. People with gambling related debts often have poor credit scores and when they have exhausted all lines of credit, family and friends often step in to support the gambler financially. Gambling support organisations often hear from affected others who get into debt to 'bail out' the gambler (e.g. helping to pay off gambling debts, covering mortgage/rent payments and even day-to-day living costs). In some instances, gamblers go as far as re-mortgaging their homes to fund gambling, which can leave families without housing. These financial decisions can have long-lasting ramifications for their financial futures and currently there is very limited money guidance that is specifically tailored to affected others' needs.

Potential Solutions

All sectors and services that come into contact with affected others could play a role in:

- Identifying affected others experiencing GRFH
- Ensuring affected others get support in their own right
- Raising awareness of gambling support services and signposting/referring affected others to specialist organisations
- Equipping affected others with information so they can take steps to protect their assets, home and financial futures

How can this be achieved?

Gambling support and treatment organisations could:

- Raise awareness of gambling support that is offered to affected others experiencing GRFH so they know how to access such services (e.g. building up a library of case studies that can be used to encourage other affected others to reach out by letting people know they are not alone)
- Develop and deliver better guidance for affected others accessing services, which could cover topics such as:
 - · Lending money to the gambler/bailing out the gambler
 - Joint accounts (the pros and cons of sharing one with a gambler)
 - Financial association (including disassociation)
 - · Debt (including how to deal with joint debts, what fraudulent and coercive debt looks like, how to access free debt advice)
 - · Credit reports and rebuilding credit score
 - Self-help tools (bank blocks, self-exclusion, blocking software)
 - · Protecting assets and home
 - · Signposting and referrals to specialist support services (financial, debt, mental health, housing, family/relationships etc)
 - · Alternative benefit payment arrangements.
- Training, guidance, and resources for staff on supporting affected others experiencing GRFH
- Encourage clients to have early conversations with banks, creditors and mortgage providers to ensure that issues are addressed earlier

Financial services firms (banks, building societies, lenders, mortgage providers, credit reference agencies) could support affected others experiencing GRFH by:

- Providing information for affected others on their websites, acknowledging that gambling related financial harm can affect families and friends and there are options for dealing with it. Such publicly available information could help break the stigma and raise awareness of free help that affected others can access
- Providing training for staff (vulnerable customer support teams, staff in lending, collections, arrears etc) to include awareness of GRFH in affected others (spotting the signs of harm, providing a safe and welcoming environment for disclosure, signposting to external support)
- Developing more robust affordability checks for joint credit applications (e.g. this could be done by screening applicants' individual accounts for signs of GRFH rather than just the joint account)
- Introducing tighter controls to prevent gamblers from accessing joint assets and mortgages
- Offering practical information and support to prevent future GRFH in affected others (e.g. how to check credit reports, improve credit scores, the pros and cons of joint products, financial disassociation, notices of correction etc)

Debt advice organisations could support affected others experiencing GRFH by:

- Identifying affected others at risk of GRFH as soon as possible in the client journey. This could be done by introducing triage questions to
 encourage disclosure and remove any embarrassment or judgment that the client may be experiencing
- Providing all staff with training, including some practical steps to support affected others (e.g. pulling credit reports for clients, credit file notice of correction, financial disassociation, help from the DWP)
- Ensuring that those affected by GRFH are signposted or referred for further support (e.g. via warm transfers to the National Gambling Helpline)
- Providing information to affected others on their websites to highlight the support available. Such publicly available information could help break the stigma
- Providing timely information about irresponsible lending and available redress measures if the client suggests they were lent irresponsibly

Gambling operators are frequently contacted by affected others and should make sure/continue to:

- Log interactions with affected others (even if they are not a registered customer) to monitor enquiries and the support offered
- Ensure that staff training on customer interactions (including any externally sourced training) covers affected others and their
 experience of GRFH
- Develop referral pathways/transfers to external gambling support agencies specifically for affected others

Government and the Department of Work and Pensions could:

- Train staff about gambling awareness training, particularly GRFH in affected others and the red flags they should look out for
- Create referral pathways into gambling support and treatment organisations
- Ensure that those who disclose such vulnerabilities are routinely offered alternative payment arrangements for Universal Credit and all the benefits are not paid to the gambler



2. Safeguarding Affected Others From Gambling Related Economic Abuse And Fraud

The Challenge

The Domestic Abuse Act 2021 recognises economic abuse as a form of domestic abuse and it is defined as "any behaviour that has a substantial adverse effect on an individual's ability to (a) acquire, use or maintain money or other property or (b) obtain goods and services". Evidence suggests there is a link between problem gambling and economic abuse, however this area is still under-explored, and sectors are working in silos, often addressing one issue and not the other. For example, a survey done by GamCare's Women's Programme³ found that of the respondents (all female), 61% of affected others were impacted by debt, and 22% experienced some form of domestic or economic abuse. Gambling support professionals also regularly hear from affected others who have been coerced into taking out credit or experienced fraud, but aren't always trained in identifying these issues or know what practical help is on offer. Domestic abuse professionals have also reported cases of gambling being one of the drivers in economic abuse. In one case, the abuser linked a betting app to the victim's bank account, leaving them without control of their own financial situation and no money for food and bills.

Potential Solutions

All relevant sectors (financial services, debt advice, gambling and gambling support, domestic and economic abuse) could:

- Work together to better understand the differences between coercive debt and fraud related to gambling
- Explore what additional steps can be taken to identify and safeguard victims of gambling related economic abuse
- Build reciprocal referral pathways so that victims receive more holistic support
- Raise awareness of these issues (e.g. through the use of case studies) to break the stigma and encourage more victims to come forward.



3. Supporting Affected Others Who Are Managing Gambler's Finances

The Challenge

Gamblers often consider handing over control of their finances to someone they trust (partner, a close friend, a parent) temporarily. Such support can be crucial, particularly as the gambler may have completely lost control of their finances. Support with finance management can also be a big step in helping the gambler focus on recovery and accountability can play a role in relapse prevention. But managing or overseeing finances on behalf of a gambler can place a substantial burden on affected others, some of whom had never had to deal with household bills or debts before. Affected others using gambling support services often highlight the lack of banking tools that would support financial decision-making for people experiencing gambling harms. There are formal ways that facilitate third party access to bank accounts (e.g. third party mandate, power of attorney), but they can be difficult to set up and awareness of them is very low. At the moment, gamblers and affected others mostly rely on informal workarounds, e.g. by transferring salaries to the trusted party or sharing bank account login details, which can leave them inadvertently exposed to fraud or economic abuse. Some affected others say that opening a joint account with the gambler gives them peace of mind, but are often unaware that this type of account automatically associates them with the gambler financially and may have adverse consequences in the future.

Potential solutions

All sectors and services that help and support affected others could play a role in:

- Ensuring affected others receive help in their own right, both practically and emotionally (see Challenge 1)
- Providing money guidance that is tailored to affected others who are supporting gamblers in money management
- Develop and offer a range of support options and tools that would make it easier for affected others to oversee gambler's finances.

How can this be achieved?

Gambling support and treatment organisations could develop and deliver money guidance for affected others who are supporting gamblers, which would cover topics as below. Organisations should ensure however that the affected other is offered support in their own right and provide assurance that they are not responsible for the gambler's actions.

- How to support gamblers who need help in their financial affairs (budgeting, paying bills)
- Managing debt (e.g. accessing free debt advice, using credit reference agency data to see all creditors, challenging irresponsible lending)
- Options that give affected others control/visibility over some parts gambler's account (third party mandates, account aggregators)
- Steps to take to prevent relapse and further debt (e.g. pre-paid card or basic bank account for the gambler without an overdraft, gambling blocks, notice of correction on gambler's credit file)
- Other self-help tools that support gambler's recovery (e.g. self-exclusion, blocking software)
- Helping the gambler rebuild their financial future (improving credit ratings, knowing how/when to hand back control to the gambler so they
 regain autonomy over their finances etc)
- Spotting the signs of economic abuse and fraud

Financial services firms could introduce tools that would make it easier for affected others to have visibility and/or management of gambler's financial affairs, e.g.:

- Mechanisms that would give a third party (affected others) temporary visibility over a bank account⁴
- Tailored notifications to a nominated third party of gambling activity on an account (e.g. gambling limit or cash withdrawal exceeds certain limits, gambling block has been disabled etc)
- More friction for gambling blocks (e.g. longer cooling-off period before the block can be deactivated, an option to require third party approval to turn it off)
- More friction for lending (e.g. a block on lending at customer's request or an option to require third-party approval before credit is approved)
- Making third party mandates more widely available to customers experiencing GRFH who are being supported by a trusted family member or friend
- $3 \ \ \, \underline{\text{https://d1ygf46rsya1tb.cloudfront.net/prod/uploads/2020/11/GamCare-Women\%E2\%80\%99s-Programme-Report-Year-One-2019-20.pdf} \\$
- 4 Money and Mental Health report <u>A Little Help from My Friends: Tools to support financial decision-making for people with mental health problems</u> makes practical recommendations that would work for gamblers and affected others.

If you are already taking action to address any of these issues, please get in touch to let us know. Contact: Raminta Diliso raminta.diliso@gamcare.org.uk