

A Blueprint for Bank Card Gambling Blockers

Executive Summary



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About the authors

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Executive summary

This report

- This report is about the use of debit and credit card technology to block spending on gambling.
- It is the first UK review of the availability, uptake, and effectiveness of bank card gambling blockers.
- It assesses their potential to help people who want to control their gambling and sets out an evidence-informed blueprint for change to maximise their effectiveness.
- Action in the financial services sphere is only one piece of the jigsaw, however. Meaningful reduction in gambling harms requires significant cross-sector efforts and regulatory intervention.

Bank card gambling blockers

- These blockers involve a bank checking – in real-time – a Merchant Category Code describing the type of business a customer is trying to pay with their debit or credit card.
- If the Merchant Category Code indicates the business is related to gambling, and the customer has activated their bank card blocker, then the payment should be declined.

What we did

- Our review draws on:
 - insights from **over 100 interviews/surveys** with people with lived experience of gambling
 - **aggregated data and statistical insights from banks** on customer use of gambling blockers
 - and **discussions with** treatment providers, financial service firms, and regulatory bodies.
- Carried out between September 2019 and March 2020, our review overlapped with the Gambling Commission's ban on licensed gambling companies accepting credit card payments from 14 April 2020. This report examines whether the ban makes credit card gambling blocks redundant.

What we found

1. **Blocker technology works – and should be available to all card users:**
blockers are working but millions of UK customers still do not have access to them.
2. **Every firm should routinely, strategically, and sensitively raise awareness about blockers:**
a low level of awareness about bank card blockers exists among a range of customers.
3. **Every blocker should be built around a time-released lock:**
over a third of bank card blockers can (unhelpfully) be toggled on and off by customers at will – making them a light switch rather than a lock.
4. **Every blocker should limit cash withdrawals:**
limits on the cash value and daily number of ATM withdrawals would complement blockers.
5. **Every e-wallet provider and Credit Reference Agency needs their own 'blockers':**
e-wallet providers can provide blocks, while CRAs can extend their Notice of Correction scheme.

Our blueprint for change

To maximise the effectiveness of bank card blockers, we believe that:

- **Firms and regulators need to work with 'experts by experience'** so they can design products, services and interventions for people who are negatively affected by gambling in a range of ways.
- **UK Finance** – the collective voice for the banking and finance industry – needs to build our recommendations into their member guidance and policy on supporting vulnerable consumers.
- The **Financial Conduct Authority** – the UK financial regulatory body – should recommend in its guidance on vulnerable customers that gambling blocks are standard on debit and credit cards.
- **A cross-sector consumer awareness campaign** that places bank card blockers alongside other forms of self-exclusion and player control is needed.
- The **UK Government** needs to create the legal and regulatory conditions to encourage the financial services sector to innovate and develop a range of consumer spending controls.

Finding 1: blocker technology works and should be available to all card users

The 'first eight' firms include big banks and newer entrants

- In the UK, **eight financial services firms** offer bank card gambling blockers to all their customers:
 - The 'big five' banks comprising Barclays (which includes Barclaycard); HSBC; Lloyds Banking Group (which includes Lloyds Bank, Halifax, Bank of Scotland and MBNA); Royal Bank of Scotland Group (which includes Royal Bank of Scotland, NatWest and Ulster Bank); and Santander
 - and Cashplus, Monzo and Starling which are newer entrants to the UK market.
- Given their collective market share, we estimate the **potential reach** of these eight firms is currently 60% of personal current accounts, and at least 40% of credit cards. This represents roughly 49 million personal current accounts, and 26 million credit cards.
- However, at present:
 - some of the eight firms only offer gambling blocks on certain card products or ranges (consequently, a firm may provide a gambling block, but not for every account it operates)
 - some blocks can be activated or managed via certain channels, but not others (and some channels will not be accessible, preferable, or useable for every customer)
 - many existing and new customers will be unaware that these gambling blockers exist.
- **To fulfil their potential, we believe that blockers should be a standard feature across a firm's full card range.** To ensure they are accessible, customers should be able to activate them via digital interfaces and phone and written channels.

Bank blockers are turned on and working

- Firm data show that - while varying in design - blocker mechanisms are turned on and working.
- Data shared by one firm, for example, showed that customers who turned on the blocker stopped an average of 2-3 gambling transactions per month. Across all its customers with a card blocker, this represented **390,000-585,000 blocked transactions per month.**
- In our own survey of people with experience of gambling problems, 30% of respondents (26/88) had activated a card blocker. Over half had spent less or no money on gambling since doing so (18/26).

Maintaining the wall

- There were a few instances (from our interviews with firms and survey respondents) of customers being able to gamble when they had a gambling block on their bank card.
- This occurs when a gambling operator uses a non-gambling Merchant Category Code which means the transaction is not declined (because it does not 'look' like a gambling transaction).
- Firms resolved these issues by informing the relevant card scheme – such as VISA or Mastercard. Importantly, however, firms seemed to rely on customers alerting them to this issue.
- We believe that firms should have a simple way for customers to report gambling block 'fails' which can then be relayed to the relevant card scheme; as well as a mechanism to report the same information to the Gambling Commission so that it can consider action against operators.

Finding 1: blocker technology works and should be available to all card users (continued)

The rest of the market

- Outside the eight firms, **no other organisation** offers a bank card gambling block to all their customers.
- Based on our rough estimates, this means that as many as **28 million personal current accounts and 35 million credit cards** may not offer account holders the option to block gambling expenditure.
- This includes organisations of the scale and significance as the Nationwide Building Society, Bank of Ireland, Danske Bank (Northern Ireland), and First Trust Bank (Northern Ireland).

Credit cards still matter

- Since April 2020, Gambling Commission-licensed gambling operators have been banned from accepting credit card payments. However, we believe that every credit card should still offer gambling blocks.
- This is because many online gambling sites out of Britain are not licensed by the Gambling Commission and continue to allow customers in England, Wales and Scotland to gamble via credit card payments.
- Credit card providers could go one step further by automatically restricting gambling Merchant Category Codes on all credit cards (rather than relying on customers to turn on a block).

The Financial Conduct Authority

- **Every consumer should have the option to use a bank card blocker.**
- In its forthcoming guidance for firms on the fair treatment of vulnerable customers, the FCA should recommend that every new debit and credit card is designed with consumer spending controls as standard, including those covering gambling transactions.
- This would ensure that account holders across the entire market have the choice to activate a block on gambling products, rather than this only being offered on some accounts and products.
- Taking this step would reflect the FCA's recognition of the importance of gambling blockers in protecting vulnerable consumers, and its emphasis on the role of product design in doing this.



“[If] they made sure that anything that was positive to help people control gambling was then rolled out for every financial institution then at least we wouldn’t have to sort of try searching... Everyone would know what was happening, it would be a level playing field.”

Advisory Board participant

Finding 2: every firm should routinely, strategically, and sensitively raise awareness

Not in plain sight

- Nearly half of our survey participants (43%) **were not aware** that bank gambling blocks exist. This is notable given many were currently receiving treatment and support for their gambling.
- We are concerned about similarly low awareness among those who might benefit from a bank blocker.
- This includes the 0.7 million people in Britain that the Gambling Commission believe are ‘problem’ or ‘moderate-risk’ gamblers, with millions more negatively impacted by someone else’s gambling.

Getting the word out about bank gambling blocks

- **Every consumer should know about the option to block gambling expenditure on bank cards.**
- There are plenty of opportunities in the customer journey for firms to let people know about these:
 - in key features documents for bank accounts and credit cards and on price comparison websites
 - as part of account opening and on-boarding and during routine communications with customers
 - and when any customer discloses financial difficulty or a gambling problem.
- This is a sensitive issue and clearly firms will be worried about causing offence to their customers, while customers with gambling problems often live with denial, shame, and stigma.
- For these reasons, we believe firms should work with people with lived experience of gambling (and also experience of supporting them) to ensure these messages are clear, relevant, and impactful.
- People affected by gambling harm also made some strong arguments in favour of banks using transaction data to ‘spot’ customers at risk of gambling harm, while at the same time recognising the challenges for banks in using that information to interact with customers.

The self-exclusion triangle

- For people who want to control their gambling, card blocker technology – while effective – only forms one side of the self-exclusion triangle. The other two sides are:
 - software that blocks gambling websites on smartphones and personal computers
 - schemes that enable people to self-exclude from gambling venues and online gambling.
- Each of these tools has to work effectively in their own right, but also in tandem with one another. A first step would be for gambling operators to signpost customers to bank card gambling blockers in their information about ‘responsible gambling’ or advice on ‘staying in control’.



“I do feel there’s some progress we can make in the language that we use around some of these things. Sometimes banks have a habit of using ‘banky’ type language with customers which doesn’t resonate very well... A lot of customers, they just wouldn’t know what that meant.”

Interview with financial services firm

Beyond the financial services sector: gambling treatment and education organisations

- Responsibility for raising awareness about bank gambling blockers and other self-exclusion tools does not only sit with the financial services sector.
- GambleAware (and other organisations which provide education related to gambling) should help create a consumer awareness campaign that places bank card blockers alongside other forms of self-exclusion and player controls; as well as create and evaluate the pathways that lead customers from awareness to activation.
- Organisations providing clinical, social, and peer support to people with gambling problems have an important role to play in letting people know which firms offer bank card blockers (because they provide another tool with which to aid recovery, rather than a single solution).

Finding 3: every blocker should be built around a time-released lock

Not every blocker is the same

- At the moment, if the eight UK bank card blockers were **activated at exactly the same time**:
 - three could be **immediately deactivated** (and then toggled 'on' and 'off' by customers at will)
 - one would require customers to **wait 24 hours** before gambling expenditure could be resumed
 - four would require customers to **wait 48 hours** before they were able to gamble again.
- People with lived experience of gambling, treatment providers, and financial services firms all agreed that the option to turn a block 'on' or 'off' at will – like a light switch – is not an effective intervention.
- While some firms plan to move to 'time-release' locks, they could not give a date. Until this happens, some customers will not have the gambling controls they need.

Time matters

- As a standard feature on cards, bank gambling blocks are a relatively new departure.
- In the absence of hard research evidence, firms had to exercise their judgement about things like the length of the 'time-release' lock, sometimes with input from clinicians and treatment providers.
- From our survey with people affected by gambling problems, we know that:
 - nearly **60% of participants** thought a 'time-release' lock should be **longer than 48 hours**
 - over **80% of participants** supported banks offering the option of a **permanent block**.
- Our interviews with firms indicate that - while there would be issues to work through - it is technically possible to allow customers to set their own block limit, and to offer customers a permanent block.

An extra dose of positive friction

- The people affected by gambling who took part in our review sent a clear message: **the more positive friction that can be built into a bank blocker, the better**.
- **Human interaction** is one form of additional positive friction. To de-activate a gambling block, one firm has a 48-hour 'time-release' lock but customers must also speak to customer service staff.
- The customer might then be asked (sensitively) about turning off the block, whether they know about sources of support, or other issues in the account notes. **65% of surveyed participants** with lived experience thought this type of human interaction was an important feature of any bank card blocker.
- There was support for other positive friction features that firms could look at trialling, including:
 - receiving a **personalised message** from your 'past self' before turning the block off
 - automatic **alerts for third parties** (e.g. a friend or family member) related to gambling spend.
 - **making gambling blocks the default on new bank cards** so that customers would have to opt in to be able to use the card to gamble.
- In addition to gambling transaction blocks, there was appetite for firms to offer their customers **other spend controls** such as being able to set financial limits on gambling rather than blocking it altogether; and limiting gambling transactions to certain times of the day.

UK Finance

- **UK Finance** – the collective voice for the banking and finance industry – needs to ensure their members offer card blockers that have a time-release lock mechanism.
- As the number of bank card blockers grow, financial journalists such as Paul Lewis should welcome those with time-release locks, but question those that do not.

Finding 4: every blocker should limit cash withdrawals

Blocks are not perfect

- Evidence from one bank suggests that around 15 per cent of its gambling block users had found a 'workaround' to their gambling block.
- The people with gambling problems in our review identified **cash as an obvious workaround** to bank card blockers which firms need to urgently address.

Limits on cash withdrawals

- In the UK, most banks will - if requested - place a daily or monthly limit on ATM cash withdrawals. This can include limits on the total amount withdrawn, as well as the number of daily withdrawals.
- However, we fear that many financial firms **have not made the connection** between cash limits and card blockers. As bank card blockers become more available, firms need to make this key connection.

Complexity is not mandatory

- Limits on cash withdrawals as a feature of bank card gambling blocks could range from:
 - **Bells and whistles:** At its most sophisticated, limits on cash withdrawals could be integrated as an option within the blocker feature. This would require user-experience designers to build this into existing platforms. Firms could also offer a time-release lock for this feature.
 - **Plain and simple:** In its simplest form, firms could tell customers who activate a bank card blocker about the option to limit cash withdrawals, and how to put these limits in place.
- Whatever the approach, firms need to promote and help customers make the connection between blockers and limiters (rather than waiting for customers to do this themselves).

Other design considerations

- **Supporting 'blocker breakers'** – some customers will try to gamble while a blocker is activated. Beyond declining the transaction, we believe the potential exists for firms to take 'just in time' action to signpost customers to specialist sources of gambling support when this happens.
- **'Togglers'** – firms that have blockers without time-release locks saw higher levels of 'togglings' (where customers repeatedly turn blocks 'on' and 'off' like a light switch). Although an arguable 'design flaw', firms could use this metric to identify and support a group that seem at higher risk of harm.
- **Credit card cash transfers** – as well as giving people the option to block gambling transactions on bank cards and limit their ATM withdrawals, a 'third line of defence' could be the option to block cash transfers from a credit card to an account where the money could be used to gamble.

Finding 5: all e-wallet providers and Credit Reference Agencies need their own 'blockers'

Electronic wallets

- There are over 170 ways to make online gambling transactions. E-wallets form a sizeable chunk of this.
- E-wallets allow a customer to transfer money 'into' their wallet (with funds from their bank) and then spend directly from this wallet.
- E-wallets have proved popular for gambling as they do not reveal customer bank details to a gambling operator, nor are gambling transactions visible to the customer's bank.
- Since April 2020, the Gambling Commission requires operators to only take e-wallet payments where this has not come from a credit card. However, debit card deposits are still permitted, meaning they remain a possible 'workaround' to bank gambling blocks.

Electronic Money Association (E-MA)

- E-wallet providers have an opportunity to offer customers a transaction block with a time-released lock. This would build on changes already made in response to the Gambling Commission's credit card ban.
- The E-MA could help promote this among its members. More radically, it and other trade bodies could consider an industry-wide scheme, given the speed with which customers can open new accounts.
- E-wallet providers could also ban gambling transactions on their platforms, as some have already done.
- The FCA should ensure that any vulnerability guidelines for banks apply similarly to the e-money sector.

Credit Records

- Consumer credit can fuel harmful gambling and lead to financial, personal, and legal difficulty.
- Giving people greater control over their access to credit – beyond individual credit or debit cards – could help prevent such harm. Indeed, **63 per cent of our lived experience survey participants said they would choose to opt out of any further credit if this option was available.**
- Currently, people can add a short Notice of Correction (NOC) to their personal credit record that gives additional information about their financial situation. These NOCs can be used to request that a lender declines a credit application, or to decline named lenders or credit types (e.g. payday loans).
- Critically, such NOCs do not require the customer to name or disclose a gambling problem. Any lender checking the report must read (and should take into account) the NOC.
- In a recent positive move, Experian and Equifax have published guidance on their websites for people who may want to add a NOC to their credit file as a safeguard against borrowing to gamble.
- However, a problem with the current NOC system is that people have to register a separate NOC with each Credit Reference Agency. This is a cumbersome and time-consuming barrier to engagement.

Experian, Equifax, and TransUnion

- We have been in discussion with the three main Credit Reference Agencies (CRA) – Experian, Equifax, and TransUnion – to establish a better system to benefit consumers.
- This would allow a NOC registered with one CRA, to then be copied across to the other CRAs. The same process would be used to update or delete a NOC.
- These CRAs have agreed this process is feasible, workable, and practical to implement. However, no timeline has been agreed to introduce it.
- We call on Experian, Equifax, and TransUnion to introduce this as soon as possible, which builds on Experian's and Equifax's recent move to publish guidance about using NOCs to safeguard against borrowing to gamble.
- We also call on the FCA's Credit Information Market Study to review how CRAs and NOCs can be used by vulnerable customers (including those vulnerable due to gambling) to control their access to lines of credit.

Bank gambling blocks: a blueprint for change

Actions for the financial services industry (and beyond) to take to ensure that gambling blocks most effectively help reduce harm from gambling:

Firms and regulators need to work with 'experts by experience' to design products, services and interventions for people who are negatively affected by gambling.

UK Finance needs to build our recommendations into their member guidance and policy on supporting vulnerable consumers. Consistency across the industry is crucial.

The Financial Conduct Authority should recommend that every new debit and credit card is designed with consumer spending controls as standard, including gambling blocks.

A cross-sector consumer awareness campaign that places bank card blockers alongside other forms of self-exclusion and player control is needed.

Organisations that provide clinical, social and peer support to people affected by gambling problems also need to raise awareness of bank gambling blocks as a potentially helpful tool for stopping gambling (if they are not already).

The electronic money sector needs to develop gambling blocks, which sit alongside existing technical adjustments made in relation to the Gambling Commission's credit card ban.

Credit Reference Agencies (CRAs) need to work together to offer a 'one-stop shop' for customers to add a Notice of Correction to their credit file across all three major UK CRAs.

The UK Government needs to create the legal and regulatory conditions to encourage the financial services sector to innovate and develop a range of consumer spending controls.

How can banks better use gambling blocks to reduce gambling harms?

1. Make gambling blocks a **standard feature** across their full card range.
2. Ensure gambling blocks continue to be offered on **credit cards**.
3. Ensure **every customer knows** that gambling blocks are available for them to use if they want.
4. Signpost to **other methods of self-exclusion**, where relevant.
5. Ensure all gambling blocks are built with a **time-released lock**.
6. **Deal swiftly** with gambling merchants using incorrect merchant category codes by giving customers a simple way to report such issues and having a mechanism to report them to the Gambling Commission.
7. Make it easier for customers to **limit cash withdrawals** and signpost gambling blocks users towards this option.

Beyond blocks...

Gambling transaction blocks are not 'job done' for banks – there is much more to do. Our participants would like to see a more consistent approach across the entire bank for a start.

Beyond banks...

And, lastly, it is important to remember that the focus here on banks does not take away from the fact that a range of other organisations still need to be taking action to reduce gambling harms.

Thank you

To all those who took part in this review or contributed to it.

The 'experts by experience' – we are grateful to all the people affected by gambling who took the time to share their views and experiences with us and who continue to shape the MAGPIE programme.

The financial services firms who agreed to be interviewed and those who shared data insights with us – we appreciate your time and openness.

The gambling treatment and support providers particularly Gordon Moody Association, GamCare and the Northern and London Problem Gambling Clinics, who shared their expert views and experience and put us in touch with people affected by gambling.

The Money and Mental Health Policy Institute and Behavioural Insights Team who we continue to work with to disseminate and advocate this research.

About the MAGPIE programme

MAGPIE is a three-year University of Bristol study (Money and Gambling: Practice, Insight, Evidence).

It is a partnership with GambleAware, an independent charity that champions a public health approach to preventing gambling harms. GambleAware also runs the website [BeGambleAware.org](https://www.begambleaware.org)

The MAGPIE research team works in close collaboration with the other financial service gambling projects that are currently taking place, and in partnership with colleagues in the Behavioural Insights Team, GamCare, and the Money and Mental Health Policy Institute.

For more information on MAGPIE: magpie.blogs.bristol.ac.uk





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