

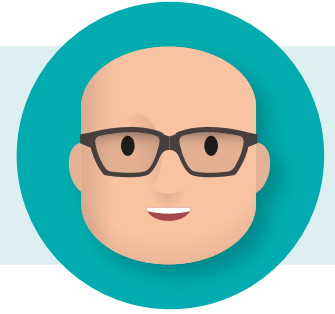
# Credit unions and gambling: A practical guide to support members



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# Terry Kilgariff, Expert By Experience

Over a 40-year period, gambling basically ruined my life. It starts off small but speeds up as your gambling gets worse and it becomes an addiction. For me, gambling led to seven failed relationships and 26 different homes. I ended up on the streets twice and I should have gone to prison because it turned to criminality at one point when I stole money from a patient. I attempted suicide twice and lost contact with my family. At the same time, I was living a double life, I was able to

maintain my work profile and function perfectly well at work as a psychiatric nurse, however outside of work it completely took over and ruined my life.

My mission in life is to stop people going through what I've been through, but also what I've put other people through. Working with credit unions and others in the finance industry is crucial because they inevitably are the first people that can physically see if somebody has a problem.

## Acknowledgements

Our sincere thanks to Terry Kilgariff for sharing his knowledge and experience and to the following credit unions and credit union organisations that gave up their time to input to this guide:

- 1st Class Credit Union
- Advance Credit Union
- Capital Credit Union
- Coalisland Credit Union
- First Choice Credit Union
- London Mutual Credit Union
- Metro Moneywise Credit Union
- Newington Credit Union
- Partners Credit Union
- Plane Saver Credit Union
- Serve & Protect Credit Union
- South Manchester Credit Union
- Association of British Credit Unions Ltd
- ACE Credit Union Services
- Building Societies Association
- Credit Unions of Wales
- Irish League of Credit Unions
- Scottish League of Credit Unions
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# What is harmful gambling and why should credit unions be concerned about it?



Gambling and betting are popular pastimes, but the statistics show that many people in the UK and the Republic of Ireland – including children and young people – experience negative consequences from gambling. These figures are likely to under-estimate the real extent of the issue:

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■ **At least 4 million people** in Britain experience negative consequences from harmful gambling, either because of their own gambling or someone else's.

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■ **55,000 young people aged 11-16** in Britain are 'problem' gamblers with a further 85,000 young people estimated to be at risk of harm from gambling.

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■ **33,000 people in Northern Ireland** are 'problem' gamblers.

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■ **30,000 people aged 15+ in the Republic of Ireland** have gambling problems.

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Inevitably credit union members will be among those who experience negative consequences from gambling. But credit union members may also belong to groups that [research](#) shows are more likely to be at risk of harm from gambling – such as men, young people aged 18-34, people from a lower socio-economic background, and people from minority ethnic backgrounds. In addition, [military personnel](#) are vulnerable to developing gambling problems, particularly those who are young, male and in non-commissioned ranks; as are [military veterans](#).

Throughout the guide we talk about harmful gambling, which is:

- An urge to gamble continuously despite harmful consequences or a desire to stop.
- Behaviour related to gambling which causes harm to the gambler and those around them.
- Something that can affect anyone. It can happen at any age, any gender and to people from any ethnic background ([TUC, 2021](#)).

Figure 1 below shows the wide range of financial and other impacts that people can experience because of harmful gambling which mean that, from a regulatory perspective, they may be in a

vulnerable situation. The [annual economic burden](#) of harmful gambling in England alone is estimated at £1.27 billion, which includes £619.2 million of wider societal costs associated with suicide.

**Fig1. The financial and non-financial impacts of harmful gambling**

<p>As a result of harmful gambling people may...</p>	<ul style="list-style-type: none"> <li>• Lack perspective and be unable to see the 'big picture'</li> <li>• Have low interest and poor concentration on anything other than gambling</li> <li>• Take excessive risks</li> <li>• Have distorted views of money and debt</li> <li>• Have poor judgment</li> <li>• Experience heightened stress, anxiety and worry</li> <li>• Experience related conditions such as mental health problems, alcohol or drug problems.</li> </ul>
<p>This means they may be vulnerable to financial harm such as...</p>	<ul style="list-style-type: none"> <li>• Over-indebtedness</li> <li>• Arrears and problem debt</li> <li>• Repossession of goods or home</li> <li>• Low financial resilience due to loss of savings or pension to gambling</li> <li>• Reduced access to financial services or financial exclusion</li> <li>• Heightened risk of being a victim of fraud or scams</li> <li>• Financial abuse of others.</li> </ul>
<p>They may also be vulnerable to non-financial harm such as...</p>	<ul style="list-style-type: none"> <li>• Relationship disruption, conflict or breakdown</li> <li>• Emotional or psychological distress</li> <li>• Negative impacts on health</li> <li>• Social or cultural harm</li> <li>• Reduced performance at work or study</li> <li>• Criminal activity.</li> </ul>

### Who is it for?

**It is for all credit unions** – big or small, whatever their common bond, whether they use open banking or bank statements to see a member’s income and expenditure, and whatever level of resources they have. It draws on discussions with 12 credit unions from the employee and community-based sectors, both large and small, in the UK and the Republic of Ireland, as well as input from credit union trade bodies and organisations.

**It is for everyone who works in a credit union** – CEOs and senior managers, lending teams, member services teams, credit control teams, partnership teams.

**What all credit unions have in common is that they have members** - both adults and juniors - who may be at risk of harm from gambling.

### Three reasons why credit unions should read this guide

#### 1 Gambling can increase the risk of lending.

Research shows that a 10% increase in absolute gambling spend is associated with:

- an increase in high-cost payday loan uptake by 51.5% <sup>1</sup>
- an increase in credit card use by 11.2%
- the likelihood of missing a mortgage payment by 97.5%.

#### 2 Gambling is a growing feature in consumer complaints about lenders.

In the UK, gambling is a growing feature in [complaints to the financial ombudsman](#) about banking, credit and mortgages, with an upward trend in the number of complaints being upheld (Figure 2).

**Fig 2 UK Financial Ombudsman Service decisions in banking, credit and mortgages that feature the keyword gambling**

2014-15: <b>50</b> decisions, with <b>12%</b> upheld	While these complaints feature a wide range of gambling issues, they include upheld decisions where the customer’s gambling meant the credit extended to them was considered unaffordable.
2016-17: <b>197</b> decisions, with <b>58%</b> upheld.	
2020-21: <b>399</b> decisions, with <b>56%</b> upheld.	
2021-22: <b>602</b> decisions, with <b>60%</b> upheld.	

<sup>1</sup> The study analysed UK bank customer data from 2014-2019 when payday lending was a bigger market than it is today.

### 3 Credit unions are uniquely placed to positively impact on members' lives

Credit unions' relationships with their members mean they are well-placed to support members who are at risk of gambling-related harm.

This may have knock-on benefits for members (for example better mental health) and help build stronger relationships between credit unions and members.

Credit unions also have privileged insight into the finances of their members that they can use for good. Equipping credit union staff with the information and tools to support members who are at risk of gambling-related harms can also bring benefits in terms of staff wellbeing.

“My hot topic is around what’s the purpose of credit unions, what is it you’re here for because it isn’t just making money, we describe it as helping our members flourish.”

Advance Credit Union

## What’s in the guide?

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**This guide shares practical examples of what credit unions are already doing to support their members and the difference they can make, along with tools, resources and case studies.**

It is framed around five **Frequently Asked Questions** that credit unions have about gambling:

### FAQs

- 1 How can credit unions tell whether a member’s gambling is harmful?
  - 2 How can credit unions manage lending risk when there are signs of harmful gambling?
  - 3 How can credit unions have conversations with members about gambling?
  - 4 How can credit unions signpost members to gambling help and support?
  - 5 How can credit unions build their knowledge and awareness of harmful gambling through training and other means?
-

We have used these information boxes → to show where sections may be of particular interest to different people in your credit union.

Read this if you are a senior manager or in a partnerships team



Read this if you work in member services or lending



## What does Terry say?

Terry Kilgariff is an Expert By Experience. He is a former compulsive gambler who now describes himself as a 'compulsive non-gambler'. In his hometown of Preston in North-West England he runs a Gambler's Anonymous peer support group and a GamAnon group for people affected by someone else's gambling. He is the founder and Chair of the volunteer-led Gambling Harms North West Alliance which is one-stop shop to help people with gambling problems in the region.

In the '**What does Terry say?**' sections of the guide, Terry gives us his responses to credit union's FAQs based on his decades-long experiences both as a compulsive gambler and a pioneer in helping others affected by gambling harms.

If you want to find out more, you can **contact Terry on (+44) 07539 756042.**

### What does Terry say example:

#### What does Terry say?



"It's not easy but education is the first key to it – for board members, paid staff, volunteers and members. The society we live in is one that demands instant gratification. And whilst society is struggling, gambling can be seen as a form of escapism or a way of making money, which is the exact opposite of what it is."





Read this if you work in member services or lending



## How can credit unions tell whether a member's gambling is harmful?

“You’re trying to establish whether this person per se has a gambling problem or is overspending, or it is just someone doing it for a bit of fun”

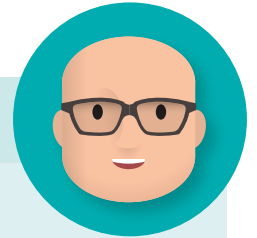
Capital Credit Union

It’s very difficult to put a number against ‘how much is too much gambling?’ when credit unions are assessing whether to lend to a member. Instead, credit unions should consider a member’s finances in the round, including their spending on gambling.

There are [tried and tested questions](#) that people can ask themselves to see if their gambling might be harmful. At the loan application stage, credit unions can answer some of these questions from the information on bank statements, open banking data or credit reference data. Concerns about the answers to one or more questions may indicate that a member’s gambling is potentially harmful when considered in the context of their overall financial situation.

<p><b>Questions people can ask themselves to see if their gambling might be harmful</b></p>	<p><b>What credit unions can look for</b></p>
<p>Do I bet more than I can afford to lose?</p>	<p>Is a member regularly spending a significant proportion of their income on gambling?</p> <p>Is gambling routinely making up a significant proportion of their expenditure?</p> <p><b><i>“Money is getting whittled down and they’re struggling for the rest of the week or month”</i></b> 1st Class Credit Union</p>
<p>Do I need to gamble with larger amounts of money to get the same feeling?</p> <p>Have I tried to win back money I have lost (chasing losses)?</p>	<p>Is a member gambling more often or spending more money on gambling over time?</p> <p><b><i>“We’re looking for if there’s multiple transactions on the same day or just a regular pattern of big chunks of money going out and then in total if it’s a significant proportion of someone’s expenditure.”</i></b> Advance Credit Union</p> <p>Do they have accounts with multiple gambling operators and is this number increasing?</p> <p><b><i>“People who have a lot of different gambling websites, they’re the ones that really ring alarm bells”</i></b> Capital Credit Union</p>
<p>Have I borrowed money or sold anything to get money to gamble?</p>	<p>Is a member using an overdraft or borrowing from payday or other lenders to fund their gambling or because they are short of money due to gambling?</p> <p>Is a member taking out multiple loans in a short space of time that is being spent straightaway on gambling sites?</p>
<p>Has my gambling caused any financial problems for me or my household?</p>	<p>Is a member having direct debits declined because of the amount they are spending on gambling?</p> <p>Has a member fallen behind with payments on household bills or credit commitments but is still spending money on gambling?</p>

# When does gambling go from being a leisure activity to a harmful activity?



## What does Terry say?

**“In my experience the answer is threefold:**

**First, when someone is gambling more than they can afford to.** Even if it's £10 more than they can afford to lose then it's a problem and it needs to be recognised. It's also not affordable when people are putting gambling ahead of other priorities - they won't pay bills, they won't buy food, they won't put petrol in the car.

**Secondly, if they're gambling progressively,** accessing gambling on more than one site, on more and more events and more and more different aspects of gambling. I've known people do 50 deposits to different gambling accounts in a night, that behaviour would definitely indicate to me when it's become harmful for somebody. Credit unions can look at how people are gambling and where they're gambling.

**Thirdly, when someone is spending an increasing amount of time gambling and chasing their losses.** I would also expect to see “payday millionaires” where people live like a millionaire for two or three days a month spending all their wages on gambling then they really struggle for the rest of the month. You will see people gambling within 10 minutes of their wages going into their account at midnight – again this is something that credit unions can see on member's bank statements.

**Credit unions should also look out for large cash withdrawals in a rapid sequence.** Say somebody draws £100 out, a few hours later they draw £200 out, you can see there's a pattern that may show there's a problem or potential problem.”

## Identifying gambling transactions from bank statements

Credit unions may have to undertake considerable 'detective work' to identify gambling transactions from bank statements. Some credit unions we spoke to maintain lists of the gambling operators they have tracked down. There have been [calls](#) in the UK for government to mandate gambling firms to disclose their bank account details on a central registry to make identification easier.

**“Gambling companies may not be classified under open banking so if you are unsure just check on your search engine who the companies are - they may be hidden!”**

**Metro Moneywise Credit Union**

## How can credit unions manage lending risk when there are signs of harmful gambling?

“What it comes back to is this: are you actually helping the member by lending them that money?”

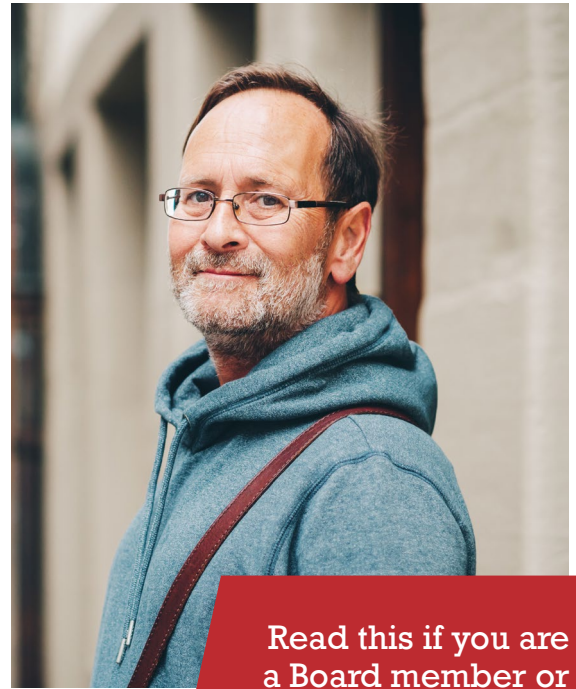
**Metro Moneywise Credit Union**

As Frank’s story (below) shows, credit products can exacerbate harmful gambling because they make it possible for someone to continue gambling when they have exhausted their own money, with credit either being used to fund gambling or to make up the shortfall between income and outgoings that arises because of gambling. People who gamble harmfully may also take out credit fraudulently in someone else’s name to fund their gambling, causing financial harm to others.

Frank first gambled when he was 15 but things escalated out of control in his 20s when he started gambling on fixed odds betting terminals and online. Over the space of six years, he thinks he borrowed around £80,000 from payday lenders alone:

*“I could go and have five, six, seven, however many loans that I want in one time, and there’d be no checks to say well hang on a minute you’ve got this loan, this loan, this loan, how do you think you can pay for it?”*

He also accumulated £5,000 of unauthorised overdraft debt in just one hour of gambling.



Read this if you are a Board member or work in lending or credit control



While he accepts that at the time he was angry about the money he had lost, he also doesn’t understand why the bank let him borrow that amount of money without any questions asked.

In the UK, responsible lending means that lenders must undertake a reasonable assessment of the creditworthiness of a customer when granting new credit or significantly increasing the amount of credit or credit limit. This includes assessing the affordability of the borrowing for the customer as well as the credit risk to the lender, which requires not only collecting sufficient information (including information about spending on gambling) but also acting on it.

*“When investigating consumer lending cases, we ultimately find the business to have been at fault when: it had information which showed the lending was unaffordable, and it didn’t act on it; or it didn’t ask the consumer for reasonable information that would have indicated that the lending they were offering was unaffordable.”*

[UK Financial Ombudsman Service response to Gambling Commission Call for Evidence on remote customer interaction, Feb 2021](#)



There are no hard and fast rules about how credit unions should manage lending risk where there are signs of harmful gambling in a member's loan application.

Below are five case studies of things that credit unions can do to manage lending risk in these situations:

- 1 Take a holistic view of the member's financial situation.
- 2 Use indicative thresholds of gambling spend in the loan assessment.
- 3 Flex loan offers.
- 4 Record relevant information and monitor members' accounts.
- 5 Regularly review policies and practices.



Employee-based credit union in North West England with nine staff and 6,500 members who work for employers including the NHS and local councils.

## 1 Take a holistic view of the member's financial situation

In the past, Metro Moneywise Credit Union always lent to members as long as their gambling spend was less than 25% of their total income. Several years ago, they decided to scrap this rule and instead look at all loan applications on an individual basis to understand members' patterns of gambling in the context of their wider financial situation. They feel this personalised approach fits with the credit union's ethos and reduces the risk of lending in cases where there is potentially harmful gambling.

*"If somebody earns £1,300 a month and is spending 25% of their wage on gambling and they're not paying the rent, they're bouncing direct debits, paying loads of high-rate lenders, how can we not take notice of this? We said we would look at it on an individual basis, that's what we do, that's what we pride ourselves on... as a member of the Credit Union you're treated as a complete individual, your circumstances are totally different to every other member."*

**Metro Moneywise Credit Union**



Employee-based credit union with more than 19 staff and in excess of 18,000 members who are in HM Armed Forces or work in the airline and transportation industries.

Plane Saver Credit Union similarly takes a holistic view on gambling based on affordability. It is not a 'one size fits all' but they look at applications on a case-by-case basis and take gambling spend into account when assessing loan affordability. As long as gambling spend is not having a detrimental effect on a member's financial wellbeing, then they

will go ahead and issue the loan. They feel it is not for the credit union to say what people can or cannot do with their own money. However, if they see there is a risk of harm from gambling they may decline the loan and encourage the loan applicant to reach out for help from organisations such as [BeGambleAware](#).



Community-based credit union in the inner city with 11 staff and 4,500 members who tend to be on lower incomes and younger (average member is in their mid-30s).

South Manchester Credit Union takes harmful gambling very seriously because they “see the pressure it puts on people’s finances” and its links with mental health. They use an indicative threshold of gambling spend - is it over 10% of a member’s total gross income? - as a rough guide in their assessment of whether a loan is affordable, in conjunction with other information such as patterns of gambling, income, and how members are managing their finances generally.

For new members who spend more than 10% of their total gross income on gambling, this might result in loan officers asking for more information. For existing members who spend more than 10% of their total gross income on gambling, the credit union carries out a fuller assessment each time they apply for a loan (this would usually only happen once a year) until the credit union is satisfied that it is no longer necessary.

*“For new members, if there is gambling then we look to see if it is over 10% of their income but that’s a very approximate guide, we try not to be too formulaic. We look at other factors too like their income and patterns of gambling - is it bingeing or regular gambling? If we didn’t think some of it looked right – for example if we could see excessive transfers coming in and out to different people - or we just needed a bit more information we would ask members for that as well.”*

**South Manchester Credit Union**

Clearly, if credit unions want to use indicative thresholds of gambling spend, they must decide where to set the threshold based on experience or, where data permits, analysis of loan account data.

Examples of other indicative thresholds are:

- **1st Class Credit Union** (an employee credit union) automatically declines loans where gambling spend is 100% or more of total income. Gambling spend that is above 40% of total income triggers a conversation with the member to find out more. They set the thresholds based on their experience and these are reviewed at weekly senior management team meetings.
- **London Mutual Credit Union** (a community credit union) operates a ‘red flag’ system where gambling spend that is more than 20% of a member’s net take-home income triggers a manual review of the loan application. The threshold is kept under review.

A few credit unions we spoke to had previously operated a policy of automatic loan declines where there was any spending on gambling. Over time they had moved away from this blanket approach.



### 3 Flex loan offers

Credit union in East Scotland with 26 staff and 25,000 members who live or work in East Scotland; work for a Partner Employer; or belong to Community Trade Union.

Capital Credit Union sees gambling most days on members' bank statements - typically online gambling - and across all member types. It currently does not have specific lending criteria related to gambling but takes gambling spend into account when assessing loan affordability as one element of a member's expenditure.

*"We always strive to offer flexibility to our members. If, for example, we see a history of gambling and think someone may struggle with loan repayments, we may offer a smaller loan. This also helps them to build their credit score in a manageable way."*

**Capital Credit Union**

In cases where the full loan amount is not affordable (for gambling or other reasons), where appropriate the credit union will offer a lower loan amount that is affordable as well as advising the member to try and cut back on the spending that's causing the problem.

In cases where members do not seem fully in control of their gambling, **South Manchester Credit Union** may decide to gradually reduce what it lends to these members as a way of dealing with gambling as a longer-term issue.



### 4 Record relevant information and monitor members' accounts

Employee credit union with 15 staff and 10,000 members who are mainly postal workers or employed in the public sector or communications industry.

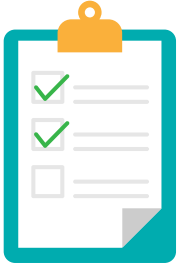
As well as using indicative thresholds of gambling spend to help assess loan affordability, 1st Class Credit Union recently established a **risk register** to monitor loan accounts that could be a higher lending risk due to gambling spend or some other factor. A loan underwriter or experienced loan officer decides which accounts go on the risk register. The credit union also monitors cash withdrawals on the bank statements of members who have had loans declined where gambling was a contributing factor.

- **Metro Moneywise Credit Union** records key information about a member's financial situation on its income and expenditure front page, so they can see at-a-glance what their circumstances were at the time of the loan application, including information about gambling where relevant.
- **Newington Credit Union** (a community credit union) monitors loan accounts if they have concerns about gambling or anything else.

Other examples of recording and monitoring include:

Other actions that credit unions could consider are:

- If **South Manchester Credit Union** declines a new member's loan due to concerns about gambling spend, they leave a clear note on the member's file about what they are looking for if the member re-applies. For example, if there was evidence of little or no gambling, they would consider a re-application.
- **Monitoring credit performance** over the lifecycle of a credit product, for example to examine any correlation between gambling spend and credit repayment.
- **For returning borrowers**, considering whether their gambling spend has changed relative to their overall financial situation since their last application.



## 5 Regularly review policies and practices

In the absence of any regulatory guidance about how credit unions should treat gambling spend in assessing loan affordability, it is important that credit unions regularly review their policies and practices to ensure they are managing the risk of lending appropriately. For example:

- **1st Class Credit Union** conducts a weekly lending review (with a loan officer, compliance officer and CEO) that looks at 10% of all declined loans; a proportion of loans declined where gambling was a factor; and the indicative gambling spend thresholds (described above).
- **Metro Moneywise Credit Union** has rewritten its lending policy in light of the [UK regulator's guidance](#) on the fair treatment of vulnerable customers, which means the credit union now recognises gambling harms as a source of consumer vulnerability.

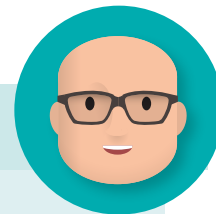
- **Capital Credit Union** triangulates its loan data with the information produced by its credit control team as a check to ensure its lending criteria are right.

*"I always look at what's coming out of credit control just to make sure my lending criteria and my loan officers are lending correctly and our lending criteria is right."*

**Capital Credit Union.**

Credit unions can also use publicly available data – such as [ombudsman decisions](#) involving consumer complaints about lending where there was evidence of [harmful gambling](#) – to benchmark their policies and practices and ensure they are fit for purpose.

### What does Terry say?



"At the end of the day gambling is legal and everybody is entitled to gamble whatever they choose to gamble, however when it reaches the point where people are looking for loans to function on a day-to-day basis that's when it's too much. Credit unions have a duty of care to their members and they need to ensure their members are in a position to repay affordably any monies they borrow."

# How can credit unions have conversations with members about gambling?

“We’ve had one or two cases where someone has said, ‘That was almost the wake-up call or the nudge that I needed, it really prompted me to have a think about things’.”

London Mutual Credit Union

For credit unions, getting into conversations with their members about gambling can seem difficult and daunting, for fear of causing offence or because credit union staff are uncomfortable broaching the topic. This section provides examples of how credit unions can do this in a sensitive and appropriate way. Even if gambling is only part of the bigger picture in cases where loans are unaffordable, finding ways to talk to members about gambling can bring positive benefits for the member and the credit union:

*“We would signpost and say do you know how much you’re spending on gambling or computer games or whatever it might be. At least there’s a pathway for them to then follow to improve their affordability”*

Advance Credit Union



It can be a helpful wake-up call for members that they may be gambling too much.



It is an opportunity for credit unions to point members in the right direction to get help.



It may help members improve their financial situation so they can borrow from the credit union in future.

## Touch points

There are different touchpoints (right) across the member journey when credit union staff should be prepared to have conversations about gambling – either instigated by them or a member. Every credit union is different, so the touchpoints and mode of conversation may vary. Whether conversations happen in person, by phone or remotely via email or secure messaging, the principles of a good conversation are the same.



Loan application



Loan refusal



Credit control



Member disclosure

On the [next page](#) are examples from credit unions about how they approach conversations with members around gambling and the five CHERN qualities that make a good interaction – Constructive; Helpful and supportive; Encouraging positive change; Respectful; and Non-judgmental.

These apply equally to conversations with members who gamble and members affected by someone else's gambling. It is estimated that for every person with gambling problems, between six and ten others are negatively impacted – often a spouse, partner or family member.

By putting these examples into practice, credit union staff will become more confident to have conversations around gambling and be better prepared to handle difficult conversations. Good conversations based on an open and honest approach can help credit unions build better relationships with members – while recognizing that it may take time for members to accept that their gambling could be harmful.

**“Not everyone will be ready to have that conversation, so plant the seed for them to come back and chat if they want to.”**

**Metro Moneywise Credit Union**



# How to have conversations around gambling

## Ways to raise gambling with members

### Stick to the facts

We noticed on your account that there are gambling transactions. We understand the pressure this may be putting on your day-to-day finances. Has this started recently or has it been going on for a while?

### Reference responsible lending

As responsible lenders we have to make sure we're not giving you a loan you might not be able to afford to pay back because of the financial impact of these gambling transactions.

### Show that credit unions can help

We are here to help our members; we are on your side; we can work with you on this; once a member, always a member.

### Keep the door open

Come back to us if you manage to reduce how much you spend on gambling.

Constructive

Helpful & supportive

Encourage positive change

Respectful

Non-judgemental

## Ways to handle loan declines where gambling is an issue

### In person

When we have looked at the affordability for the loan, we can see regular payments to gambling companies which means at this time the loan isn't going to be affordable. Are you OK to tell me a little bit more about this?

### In writing

We've reviewed your bank statements and we've seen more gambling transactions than we would typically expect. For this reason, we're unable to offer you a loan right now. Get in touch if you would like to chat to us about this. If you feel you would like some support with your gambling here's how to get the information.

### In person

We look at loans very differently than other lenders. They might just decline the loan outright without trying to have a conversation like we're having. Some may not even look at affordability and charge you a much higher rate which can put you in a worse position. We want to make sure this doesn't keep impacting your finances or become a bigger issue further down the line.

## Case Study:

### Using conversation scripts for loan declines

Metro Moneywise Credit Union has developed a script for its loan officers to initiate conversations with members in situations where loans are declined because they are not affordable due to gambling. The script is used in face-to-face and telephone interactions. The loans team has carefully considered the language in the script, framing the loan decline as an opportunity for the credit union to support the member. They continue to review and improve the script based on feedback from members. In cases where conversations take a 'bad path', the credit union feels members may not have recognised their gambling might be harmful or are not ready to take action about it.

**“As a loans officer at a Credit Union, I feel we are extremely lucky that we are able to have these conversations with our members. Most of these chats have positive outcomes, and even if they don't want the support at this time, they know we are here when they are ready... One of these [conversations] goes wrong in every ten I'd say, but they are not at that point where they're ready to do anything about it.”**

**Metro Moneywise Credit Union**

## Handling disclosures from members about harmful gambling

Harmful gambling can be triggered by traumatic events in childhood or as an adult; it may be linked to mental health problems; and is often hidden. People experiencing gambling-related harms are also a risk group for the experience of suicidal thoughts, attempts and deaths by suicide.

For someone to open up to their credit union about their harmful gambling may mean overcoming strong feelings of shame, embarrassment and worry about the consequences. It may take them time to feel able to talk about it or even signal that something is wrong. If they do, the credit union's response will be important in determining whether they experience a good or bad outcome.

Credit unions should ensure their staff can recognise when information about a member's needs is relevant to future interactions and know how to record it. Staff should also know how to access and use previously recorded relevant information to meet that member's needs. The TEXAS model ([page 21](#)) is designed to help ensure that staff record (i) the most relevant information about characteristics of vulnerability; (ii) how these characteristics affect support needs; while (iii) helping meet data protection requirements.

- 
- T** **Thank** the member for their disclosure: “Thank you for telling me about the gambling. I appreciate it, as it will help our conversation.”
- 
- E** **Explain** how their disclosed information will be used: This should include why information on gambling is being collected, how it will be used, and who the data will be shared with.
- 
- X** **eXplicit** consent should be obtained to hold and use the disclosed information.
- 
- A** **Ask** the member questions to get key information to help you understand the situation better: “How does the online bingo and slots affect your finances?” “Does anyone help out or share the finances with you?”
- 
- S** **Signpost** to internal support or external services with specialised expertise (where this is appropriate – see FAQ #4).
- 

TEXAS is not designed to manage disclosures of suicidal thoughts or intent, which can be processed without consent if this will save a customer or another person’s life (the Vital Interests basis). TEXAS is also not designed to be used to handle disclosures made by a carer or third-party about a vulnerable customer – for which there is a separate [CARERS model](#).

### What does Terry say?



“When you’re talking to members about gambling, don’t make it judgmental. Don’t say ‘We think you might have a problem’ or ‘Are you sure you should be gambling all through the night when you’re working the next day?’

Instead, sell it as a safety measure for the member that’s for their benefit: ‘We feel we’ve got a duty of care to make you aware of it, we don’t want to put more pressure onto you if you are struggling, we don’t want to add to that stress and anxiety.’

If members become defensive, keep it factual. A loan officer might say: ‘I assess people’s situations regularly on a daily basis, so I’m doing this every day and when I’m looking at your situation certain things are flagged up as risks to me. We see it as a duty of care to you, rather than making any judgements about what you do with your money.’



# How can credit unions signpost members to gambling help and support?

“We don’t just leave the member high and dry, we don’t just refuse a loan and that’s it, we will try and signpost them where we can.”

1st Class Credit Union

Credit unions may feel nervous about signposting members to help and support if they identify potential gambling problems. But – in the UK at least – the financial conduct regulator expects firms to make consumers in vulnerable situations aware of the support available to them at whatever point in the customer journey the vulnerability is identified.

*“If a firm believes that consumers may benefit from support or help from a third-party organisation or charity they should provide clear information to signpost the consumer to the third party.”*

Financial Conduct Authority, 2021



Credit unions are not expected to be experts in harmful gambling or other vulnerabilities, but they need to ensure that frontline staff have the skills and capability to recognise and respond to a range of characteristics of vulnerability, including harmful gambling, across the member journey.

# How to signpost

Credit unions can signpost to third party help and support by having a conversation with their members where they can see that gambling may be harmful. Alternatively, they can direct members to online information about sources of gambling help and support. Doing both these things increases the chances that members find out about the help and support that is available.

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## Have a conversation

This is the most direct way of signposting members to help and support and likely to be most effective. Credit unions can use the hints and tips from FAQ #3 to help manage these conversations. Credit unions can also develop working relationships with local gambling support services, so they can tell members about the referral pathway and what to expect.

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## Signpost members to information online

Credit unions can provide information about sources of help and support on the relevant section of their websites and signpost members to it. This can be useful to raise general awareness but depends on members visiting the webpages.

---

**“We would point them to Gamblers Anonymous, we also always let them know they’re not on their own because at that point they might feel like they’re being targeted or they’re a bit ashamed or embarrassed of the gambling.”**

**South Manchester Credit Union**



## Case Study: Making effective referrals



Employee credit union with over 39,000 members across the police, prison, military, fire and health services.

Serve & Protect uses an online referral system provided by StepChange Debt Charity. When credit union staff identify during a call that a member may benefit from debt advice, they can (with the member's permission) log a call with StepChange and the member

gets a call back from a debt adviser. This is more effective than leaving members to make contact themselves. Serve & Protect would like to offer this type of referral to gambling treatment and support services as well.

## Where to signpost: tools and resources to help people control or stop gambling

### Gambling blocks on

**payment cards** mean that customers should no longer be able to spend money with gambling operators using their card for as long as the block is activated.

Eleven UK financial services firms now offer the option to activate a gambling block. While some card blockers offer no cooling-off period, others offer as much as a 72-hour wait. [The Gambling Commission](#) maintains a list of UK banks that offer gambling blocking services which is shown in the Appendix.

[Revolut](#) – which has 1.5 million users in Ireland - also provides gambling blocks for its customers.

### Blocking software is

downloaded onto a device (smartphone, tablet, computer) to limit access to websites or other internet services.

Some blocking software is free of charge, for others there is a charge.

Gambling-specific software:

- [gamban.com](http://gamban.com)
- [gamblock.com](http://gamblock.com)
- [betblocker.org](http://betblocker.org)

General blocking software to block any site (including gambling sites) and set access permissions or parental control:

- [netnanny.com](http://netnanny.com)

### Self-exclusion means

people can ask a gambling operator to exclude them from gambling with them for a length of time (usually 6-12 months but up to five years for online gambling). All gambling operators in Britain must provide this option.

People can self-exclude from each separate company they gamble with, or from multiple companies at the same time. Multi-operator schemes include:

- Online gambling with operators licensed and regulated in Britain [gamstop.co.uk](http://gamstop.co.uk)
- Arcades and adult gambling centres [bacta.org.uk](http://bacta.org.uk)
- Betting shops [MOSES](#)
- Bingo venues [Bingo Association](#)
- Casinos [SENSE](#)

# Where to signpost: gambling treatment and support services

Credit union members at risk of harm from gambling may benefit from different types of support depending on the harms they experience and whether gambling is, for example, linked to mental health issues. While some members may reject initial offers of support, providing them with information remains important in case they later change their mind, for example after gambling losses or other gambling-related harms.

**The ARO model may help credit union signpost to support more effectively:**

- 
- A** **Ascertain** the member's needs and ask whether they would like to hear about available help and support.

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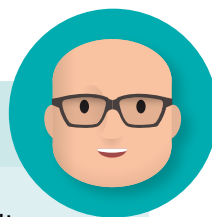
  - R** **Reassure** them they are not alone in experiencing gambling-related harm and there is help and support available.

---

  - O** where possible, give members **Options** they can choose from and some idea about what each service offers. For example, people may not be aware that they can just talk to someone about their gambling without having to commit to a course of action.
- 

Table 1 ([page 26](#)) gives some examples of support that is available to credit union members who may be affected by harmful gambling. Community-based services such as counselling for gambling, mental health services and debt advice are likely to vary depending on where members live.

## What does Terry say?



“I think it’s crucial that the finance industry, including credit unions, has links to the gambling harm support industry and treatment services so support is available and mistakes aren’t made. Ideally, credit unions should have good links with local treatment and support services so they can say to members ‘we know somebody locally who you could speak to’.”

**Table 1** Examples of support available for people experiencing gambling-related harm

Help with gambling issues	Help to understand harmful gambling
<p>Free confidential treatment and support for anyone experiencing gambling-related harms in England, Scotland and Wales is available from:</p> <ul style="list-style-type: none"> <li>• The <a href="#">National Gambling Helpline</a> operated by GamCare which also works with partners to deliver one-to-one and group support.</li> <li>• <a href="#">Gordon Moody Association</a> gambling therapy, residential treatment and outreach support for adults with gambling addiction.</li> <li>• <a href="#">NHS National Problem Gambling Clinic</a> treatment and support for people aged 13+ with gambling addiction in England &amp; Wales.</li> <li>• <a href="#">NHS Northern Gambling Service</a> treatment and support for adults with gambling addiction across the North of England.</li> </ul> <p><a href="#">Gamblers Anonymous</a> and <a href="#">Gamblers Anonymous Ireland</a> are free self-help groups.</p> <p><a href="#">Community NI's</a> website has information about services in Northern Ireland, including <a href="#">Dunlewey Addiction Services</a>.</p> <p><a href="#">Extern Problem Gambling</a> provides a free counselling service for people in the Republic of Ireland and Northern Ireland and has information and self-help resources on its website.</p>	<p><a href="#">begambleaware.org</a> provides free, confidential information and advice to anyone worried about gambling – their own or someone else's.</p> <p>There are also a growing number of resources produced by and with people who have experienced harm from gambling that aim to raise awareness and offer support. Below are some examples.</p> <p><b>Podcasts:</b> <a href="#">After Gambling</a> aims to increase awareness and understanding of gambling disorder. <a href="#">All Bets Are Off</a> is a gambling addiction recovery podcast as is <a href="#">The Invisible Addiction</a>.</p> <p><b>Online resources:</b> <a href="#">The Royal Society of Public Health</a> offers a free online course on understanding and responding to gambling harms. <a href="#">Don't Bet Your Life On It</a> is a player-led online safer gambling initiative. <a href="#">Humans of Scotland</a> shares video stories of people facing difficult life situations, including living with gambling disorder.</p>
Help with money issues	Help for families and affected others
<p><a href="#">MoneyHelper</a> has a guide to <a href="#">tackling problem gambling and debt</a> as well as providing free and impartial money advice over the phone and online; an online debt advice locator; online guides, tools and calculators.</p> <p><a href="#">Citizens Advice</a> provides free confidential advice online, over the phone and in person.</p> <p><a href="#">National Debtline</a> provides free debt advice by phone, email and webchat and has a library of factsheets on a wide range of debt issues.</p> <p>The <a href="#">Money Advice and Budgeting Service</a> is the Irish money advice service which offers support online, over the phone and face-to-face.</p>	<p><a href="#">The National Gambling Helpline</a> and <a href="#">GamCare</a> support families and affected others via phone, webchat and one-to-one. These services include advice on addiction awareness, how to provide support where appropriate and protecting their finances.</p> <p><a href="#">Gam-Anon</a> is a free self-help group for those affected by someone else's gambling.</p> <p><a href="#">GamFam</a> helps families recognise the early warning signs of harmful gambling and how to prevent addiction, including <a href="#">12 things that people can do</a> if they have a disordered gambler in the family.</p>



Read this if you are a senior manager or in a partnerships team



## How can credit unions build their knowledge and awareness of harmful gambling through training and other means?

“I think training helps provide staff with a sense of purpose, to help better understand the role they are playing in terms of helping the individual. We know that every conversation with a member may have a significant impact on their life.”

Serve & Protect Credit Union

From the frontline to the board room, credit unions need to know about harmful gambling and its implications if they are to properly understand their members’ needs, lend responsibly and manage risk appropriately. If credit unions do not recognise and act upon signs of harmful gambling they risk:

- **Member complaints and reputational damage.**
- **Negative impacts on lending, which in turn affects revenues.**
- **Falling short of regulatory expectations around consumer vulnerabilities.**

This section provides information and ideas for staff training and education; gaining insights from data analysis; and member education.



# Staff training and education

Ways that credit unions can improve the knowledge of their boards and workforces include:

**Informal information-sharing sessions** among colleagues about gambling issues they encounter, for example at regular team meetings or weekly lending reviews.

**Organising training** with gambling treatment and support organisations, including local services (see case study below)

**Engaging experts by experience** who have lived experience of harmful gambling.

**Attending external events** on gambling issues.



## Examples of free-to-use resources that are available to credit unions include:



[Understanding and Responding to Gambling Harms](#) free online training for professionals who do not specialise in the treatment of gambling disorder. It aims to help people understand and identify risks and harms related to gambling disorders and equip them to provide brief interventions to help address these harms.



[Gambling Related Financial Harm Toolkit](#) to give businesses the tools to offer quality customer communications about gambling risks and the support available so the issues can be addressed as early as possible. GamCare also runs insight workshops and network events.



[Bet You Can Help](#) is an accredited training programme that supports learners to implement an early brief intervention with anyone at risk of, or experiencing, gambling harms, and signpost to specialist service providers. The programme is free to services that engage its identified target groups.



[Harmful Gambling Toolkit](#) produced by the Trades Union Congress to raise awareness and help union officers and reps to represent and support members who are, or may be, affected by gambling harms.



## Case Study: Credit union training provided by gambling harm specialists

The Irish League of Credit Unions has delivered a webinar for credit unions in the Republic of Ireland and Northern Ireland with Dunlewey Addiction Services. It has also produced a [guidance](#)

[note and FAQ document](#) (with recent ombudsman decisions) along with materials from Dunlewey and GamCare for credit unions to utilise and continues to regularly engage with Gamcare.



## Data analysis

Credit unions can analyse the data they collect to build knowledge about gambling harms among their board members, staff teams and payroll partners, as illustrated by the two examples below. This data analysis does not have to be sophisticated – for example, credit unions could report how many loans have been declined because of concerns about gambling in the last financial year. But it does depend on credit unions collecting the appropriate data.

### Getting the board on board

The lending team at 1st Class Credit Union produced a report for their Board about gambling among their members, including anonymised bank statements that showed the extent of gambling. This was useful because prior to the report Board members did not view gambling as a particular issue.

*“We had to blank out a lot of information obviously and send them examples of what we’re seeing on a daily basis and how much gambling, what the actual figures are.”*

**1st Class Credit Union**

### Sharing insight with payroll partners

The Business Development team at Serve & Protect Credit Union routinely analyse aggregated member data to show their payroll partners the extent and patterns of gambling among employees. This data has been powerful in helping employers understand the issues faced by their employees; getting new payroll partners on board; and making the case internally to focus on harmful gambling.

## Member education
















As we saw in FAQ #4, there is lots of scope for credit unions to raise awareness among members about harmful gambling and its impacts. This information could be shared on credit union websites; in loan decline emails; as features in member newsletters; or as part of financial education sessions for members. Employee-based credit unions may have opportunities to raise awareness through workplace webinars.

### What does Terry say?



*“It’s not easy but education is the first key to it – for board members, paid staff, volunteers and members. The society we live in is one that demands instant gratification. And whilst society is struggling, gambling can be seen as a form of escapism or a way of making money, which is the exact opposite of what it is.”*

# Key actions points for credit unions

	<p>Does your credit union have systems in place so loan officers can tell whether a member's gambling is harmful?</p>		
	<p>Are you managing lending risk adequately where there are signs of harmful gambling in loan applications?</p>		
	<p>Have you equipped your frontline staff to have conversations with members about gambling and feel confident doing it?</p>		
	<p>Do you signpost members to sources of information and help when there are signs of harmful gambling?</p>		
	<p>Have you taken steps to ensure that everyone from the frontline to the board room knows about harmful gambling and its implications?</p>		

This table was taken from the [Gambling Commission](#) website in May 2022. The table is updated when new gambling block services become available so please check for the latest information. [Revolut](#) also provides gambling blocks for its customers.

## Which banks offer a Gambling blocking service?

### Bank of Scotland

Offers a [card locking feature](#) specifically for gambling transactions.

### Barclays

Customers can block debit card payments to [gambling websites and apps](#) within their banking app.

### Halifax

Offers customers [various tools and support](#) such as:

- financial tracking
- personal support and advice
- access to Gamban licences to block online gambling.

### HSBC

Allows customers to [add or remove gambling restrictions](#) on their debit cards, including on their Pay by Bank app. They also offer a 'Cool Off Period'. This means that customers can lift a restriction but transactions will still be declined until the period has ended.

### Lloyds Bank

Allows customers to [freeze and unfreeze](#) different types of transactions on their debit cards. They also offer access to [Gamban](#).

### MBNA

Allows customers to keep track of their bills and spending by using their [Online Card Services](#).

### Monzo

Allows customers to [block gambling transactions](#) on their account, using the app. To turn off the block, customers will need to talk to the Monzo customer support team. The customer support team will ask questions to see if the situation has changed since turning on the restrictions.

### Natwest

Offers a [card locking feature](#), specifically for gambling transactions.

### Royal Bank of Scotland (RBS)

Offers a [card locking feature](#), specifically for gambling transactions.

### Santander

Allows customers to [block specific transaction types](#) without freezing their Mastercard entirely.

### Starling

Allows customers to block online payments, [including gambling transactions](#) easily from their banking app.

*Last updated: 27 May 2021*

## About The Personal Finance Research Centre

Established in 1998, the [Personal Finance Research Centre](#) (PFRC) is an independent research centre based at the University of Bristol, which specialises in social research across all areas of personal finance, mainly from the consumer's perspective. Sharon Collard is Professor of Personal Finance and Research Director of PFRC. Katie Cross is Research Associate at PFRC. Contact PFRC: [sharon.collard@bristol.ac.uk](mailto:sharon.collard@bristol.ac.uk)

## About the Swoboda Research Centre

The [Swoboda Research Centre](#) is a not-for-profit research organisation incorporated in 2016 in Dublin, Ireland. Its mission is to undertake high quality research, to lead on ideas and innovations, and to explore tested solutions in particular for credit unions in Ireland and Great Britain. The Centre is rooted in values of co-operation, participation, social and financial inclusion, transparency, integrity, and excellence. Contact the Swoboda Research Centre: Dr Paul A. Jones, Research Director, [p.a.jones@swobodacentre.org](mailto:p.a.jones@swobodacentre.org)

**Sharon Collard and Katie Cross**

University of Bristol, Personal Finance Research Centre  
July 2022