

research snapshot

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Overview of safer gambling and consumer protection features in crypto-based online gambling

What this research is about

Nearly a quarter of British adults have engaged in online gambling recently (within the last four weeks). The UK online gambling market is the largest one that is regulated in the world. Online gambling is always accessible and represents a strong risk factor for problematic gambling. Online gambling operators must adhere to specific policies to maintain their licenses. These policies include not allowing people who are underage to gamble; verifying consumers' identity; and providing information and support to consumers who wish to seek help for their gambling.

Cryptocurrency is a challenge for the regulation of online gambling markets. Cryptocurrency is a volatile electronic currency that allows anonymous exchange of currency. Operators that offer cryptocurrency-based gambling can potentially get around regulations placed on other operators because of their anonymous nature. The aim of this study was to examine the content of 40 crypto-based online gambling operators. Specifically, the researchers aimed to assess how these operators protect consumers from potentially problematic gambling.

What the researchers did

The researchers searched Google and Yahoo for crypto-based gambling websites by searching terms such as "crypto gambling" and "bitcoin casinos". They selected the top sites in terms of how frequently they were visited. The top 40 most visited sites with an average visit time above nine minutes were selected. Of these, 22 were directly accessible from the UK, and 18 were not.

The researchers viewed each site and coded for two groups of features. The first group of features were

What you need to know

Research has demonstrated that online gambling is a strong risk factor for developing problematic gambling behaviours. Crypto-based online gambling operators are not regulated. There is a risk that these sites do not try to protect consumers from risky gambling. The researchers reviewed the top 40 crypto-based online gambling websites. They looked for features related to consumer protection and safer gambling websites. The researchers found that the majority of the websites did not adequately protect consumers or provide information or tools for safer gambling. Furthermore, verification of age was not required for most websites. Less than half of the sites could be confirmed as holding a valid license. Crypto-based online gambling websites could be harmful to people struggling to control their gambling.

safer gambling practices, of which there were seven different features. Safer gambling features included making available safer gambling information and access to safer gambling tools. The second group of features were specifically related to crypto-based gambling consumer protection. The three features were licensing information; requirement of proof of identity to make a deposit; and provision of information about the fairness of gambling outcomes. Screen recordings of each site visit were made.

What the researchers found

Safer gambling features

While 95% of operators required at least one piece of personal information for account registration, none required any kind of documentation to verify the

user's age. About 77.5% of operators had a safer gambling page, although 22.5% contained information that encouraged more gambling (e.g., offering free spins). About 67.5% of operators offered information about safer gambling tools, and 62.5% offered at least one of these tools. The most common tool offered was time-out or self-exclusion options, which mostly had to be accessed through customer support. About 15% of operators offered limit-setting options, most commonly deposit limits. All except one operator let users access their gambling history. None offered reality checks, budget calculators, or gambling diaries.

About 80% of operators contained warnings that gambling could be harmful. However, only 25% of the messages focused solely on the harms of gambling, as the other messages also suggested that gambling is fun, entertaining, and/or a way to earn money.

Consumer protection features

The licenses of 47.5% of operators were verified. Most of the licenses were obtained from Curaçao. The licenses of 12.5% of operators could not be verified. None of the 22 sites accessible from the UK were licensed by the UK regulatory body. Provably fair gambling outcome information was offered by 22.5% of operators. Random number generator fairness information was offered by 48.7% of operators. No information about the random outcome systems used was found for 27.5% of operators.

The operators were emailed with a request for help with gambling problems. About 42.5% of operators replied with suggestions on how to gamble safely. Another 30% replied that the account would be closed. About 10% made other suggestions (e.g., talk to a therapist). Four operators did not respond, and one operator replied with information on how to gamble and access bonus slots. After being contacted, 64.7% of operators continued to email promotional materials to the user.

How you can use this research

This research could be useful for those concerned about online gambling regulation, particularly in the UK, and about the rise of crypto-based gambling websites. This study demonstrated that the majority

of crypto-based online gambling sites surveyed were easily accessible without proof of identity. There were many failings identified in the sites with respect to consumer protection and safer gambling practices.

About the researchers

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