

knowledge snapshot



A brief review of consumer credit use and gambling-related debts

What this article is about

Consumer credit is any kind of short-term, high-interest loan to purchase goods or services. The most common kinds of consumer credit are credit cards and cash loans. It is well-known that people with gambling problems often experience financial problems, such as loss of savings, debts, and even bankruptcy. The use of consumer credit may worsen the cycle of gambling, borrowing money, and experiencing debts. In this article, the authors provided a review of research regarding consumer credit use and gambling-related debts. The authors also outlined the limitations of current research, and made recommendations for future research, policy, and practice.

What was done?

The authors searched six databases in psychology, public health, sociology, and social policy for relevant articles. Research studies, review papers, commentaries, and editorials could all be included. In total, the authors found 86 articles published since 2010. The authors provided a summary and discussed the limitations of the research. They also made recommendations based on their review.

What you need to know

Risk for consumer credit use and debts

In the UK and US, several large-scale surveys had reported a link between consumer credit use, debts, and gambling problems. Overall, evidence shows that people who use consumer credits and have debt problems have more severe problem gambling. This is largely independent of their socioeconomic status. Online gamblers report more debts than people who gamble in land-based venues only. This may be partly

Why is this article important?

This article is brief review of current evidence regarding consumer credit use and gambling-related debts. It shows that the use of consumer credit and debts are associated with more severe problem gambling. Debts contribute to poor mental health over and above the impact of problem gambling. Debts are also linked to negative effects on the family and illegal activities. Based on their review, the authors made recommendations as to how to move forward in terms of research, policy, and practice.

due to the wide range of payment methods that can be used online (e.g., credit cards).

Some population groups appear to be at higher risk of consumer credit use and gambling-related debts. For example, one study reported that women who sought help for problem gambling were more likely to use consumer credits than men. The reasons were unclear, but could be because women tended to have lower socioeconomic status, and were more likely to gamble to cope with stress and negative emotions.

Psychological and social problems

Problem gambling and being in debt contribute to poor mental health. The presence of both issues makes the situation worse. People with problem gambling and debts are at high risk of experiencing a common mental disorder, such as depression. They are also more likely to suffer from substance use problems, particularly alcohol abuse and smoking. In addition, they are at higher risk of considering or attempting suicide.

Gambling-related debts can result in many negative impacts on the family, such as lower standard of living and family conflict. Debts are also a risk factor for crime, such as theft and fraud. People with gambling-related debts may be motivated to commit crime to fund their gambling or to pay off their debts. Financial problems are often the reasons why people seek help for problem gambling. However, people may not comply with their treatment plans, given that they may continue to gamble to recoup their losses.

Limitations and Recommendations

The authors outlined several limitations to current research. Firstly, financial and psychological problems can be the causes or consequences of problem gambling. Secondly, there is no consistency on how to define and measure debts. Most studies have relied on self-report and defined debts in different ways (e.g., bankruptcy, debt amount). People's attitudes towards being in debt can also influence the impact of debts on mental health. Thirdly, research must consider a person's total debts across several areas, not just debts related to gambling. A person may have stopped gambling, but still need to borrow money to help with their living expenses.

Based on their review, the authors made several recommendations. In terms of future research, more research is needed outside of the UK and US. Longitudinal studies that follow participants over time could provide a better understanding of the link between consumer credit use, debts, and mental health problems. Researchers could collaborate with financial institutions to map the pathways into problem gambling and debts. This could also help in finding out which features of consumer credit products are most risky.

In terms of policy and practice, governments could refine consumer protection policies to ensure appropriate safeguards are in place. Financial institutions could offer their customers preventative measures, such as setting a limit on transactions for gambling. Financial counselling and legal aid services could screen for problem gambling among their clients.

Gambling treatment providers could also ask their clients about financial problems.

Who is it intended for?

This article is intended for researchers, policy-makers, and financial institutions. It offers insights into current evidence and gaps of knowledge regarding consumer credit use and gambling-related debts.

About the researchers

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About Gambling Research Exchange (GREO)

Gambling Research Exchange (GREO) has partnered with the Knowledge Mobilization Unit at York University to produce Research Snapshots. GREO is an independent knowledge translation and exchange organization that aims to eliminate harm from gambling. Our goal is to support evidence-informed decision making in safer gambling policies, standards, and practices. The work we do is intended for researchers, policy makers, gambling regulators and operators, and treatment and prevention service providers.

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