What this article is about

People with gambling problems may rely on different kinds of financial services to make gambling-related transactions. These may include automated teller machines (ATMs), electronic funds transfer at point of sale (EFTPOS) facilities, and lines of credit from banks. Banks and other financial institutions may contribute to the risk of experiencing harms by allowing vulnerable people to attain credit, potentially facilitating individuals in gambling beyond their means.

Financial institutions are expected to manage their business in a socially responsible manner. This could be done by promoting clients' financial well-being. Moreover, financial institutions could implement strategies to minimize the risk of gambling harms among their clients. This Australian-based review aimed to examine the role of financial institutions in gambling. The authors explored whether banks and other financial institutions have any policies in place about gambling and whether they have any strategies to enhance clients’ well-being.

What was done?

The authors did a review of articles focusing on the role of financial institutions in gambling and harm-minimization strategies. They searched academic databases for relevant articles, but found very few academic articles on the topic. To supplement these results, the authors performed an environmental scan. This involved searching for other documents outside the academic literature, such as newspapers and government reports. The authors also searched the websites of the four major banks in Australia.

What you need to know

Financial institutions play a major role in money transfer for gambling, especially online gambling. Land-based gambling transactions may be more difficult to track as a large proportion are cash-based. Credit cards, personal loans and overdrafts are primary ways that financial institutions facilitate gambling transactions. Regulations restrict the use of credit cards in Australian gambling venues, but credit cards remain a primary payment method for online gambling. Some banks have proposed providing options for customers to block their credit card from online gambling sites, but actions have remained very limited.

Internationally, many financial institutions lack policies or position statements specific to gambling.

Why is this article important?

Financial institutions play a major role in gambling, whether through providing access to cash, electronic fund transfers, or credit cards. This Australian-focused review found limited evidence of gambling-specific bank policies and practices designed to enhance customer well-being. Most banks provide financial hardship assistance but rely on clients to request it. Few banks list gambling as a risk factor for financial hardship in their policies. Some financial institutions offer options that can prevent or reduce harms from gambling. These include restricting credit card use, banning credit offers to clients, blocking ATM cash advances on credit cards, and more. The authors suggest ways that financial institutions may be more proactive to promote clients’ financial well-being and prevent gambling-related harms.
Most of the institutions also lack strategies to assist clients who may show financial troubles due to gambling. Many financial institutions market their commitments to promote clients' financial well-being. Many banks provide financial hardship assistance but rely on individual clients to request it. There is a lack of effort to proactively identify clients who may experience financial hardship due to gambling. Also, few banks list gambling as a risk factor for financial hardship in their policies.

Some financial institutions provide links to gambling support services on their websites. Banks also offer the option to block gambling transactions registered under the Merchant Category Code (MCC) ‘betting/casino gambling’, contactless card payments, and ATM cash advances on credit cards. Banks generally offer financial literacy information and tools for budgeting and tracking expenses. They also offer free financial counselling services.

The authors suggest the use of behavioural economic and psychological approaches to guide the development of bank policies specific to gambling. According to these approaches, people can make errors in their decisions due to incomplete information or biases. Thus, government and institutions play a role in creating an environment that helps people make better gambling decisions. For example, interventions can be created to help people set limits, restrict the use of credit cards, and track their gambling behaviour. The authors further recommend that bank and casino staff undergo training to identify and assist someone with gambling problems.

Who is it intended for?

This review could help financial institutions gain awareness in how their practices may affect people with gambling problems. By providing evidence about the lack of gambling specific bank policies and strategies, it could have implications for policy makers and consumer protection advocacy groups. It may also be useful to researchers. Future studies could use interviews and focus groups to gain a better understanding of the role financial institutions in problem gambling.

### About the researchers

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### 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 responsible 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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