

# GAMBLING, VULNERABILITY AND FCA COMPLIANCE

## Executive Summary.

Authors: Sharon Collard and Katie Cross  
**JULY 2021**

## **ACKNOWLEDGEMENTS**

Our sincere thanks go to all those who took part in the research to produce this guide or who contributed in any way. We would especially like to thank those with lived experience of harmful gambling who took the time to share their experiences with us and who continue to shape this programme of research going forward. Thank you to those in regulated financial services firms and the gambling treatment and support sector who contributed to the research – we appreciate your time and openness. Our gratitude also goes to those who peer-reviewed this report and gave us constructive feedback to make it better, including the ALLIANCE's Lived Experience Forum.

This work was funded by 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). Thanks as always to the wider PFRC team in particular to David Collings our Centre Manager; Jamie Evans, Senior Research Associate; and Chris Fitch, Honorary Research Fellow and Vulnerability Lead at the Money Advice Trust.

## **ABOUT THE AUTHORS**

Sharon Collard is Professor of Personal Finance and Research Director at the University of Bristol's Personal Finance Research Centre (PFRC). Katie Cross is a Research Associate at PFRC.

## **ABOUT THE MAGPIE PROGRAMME**

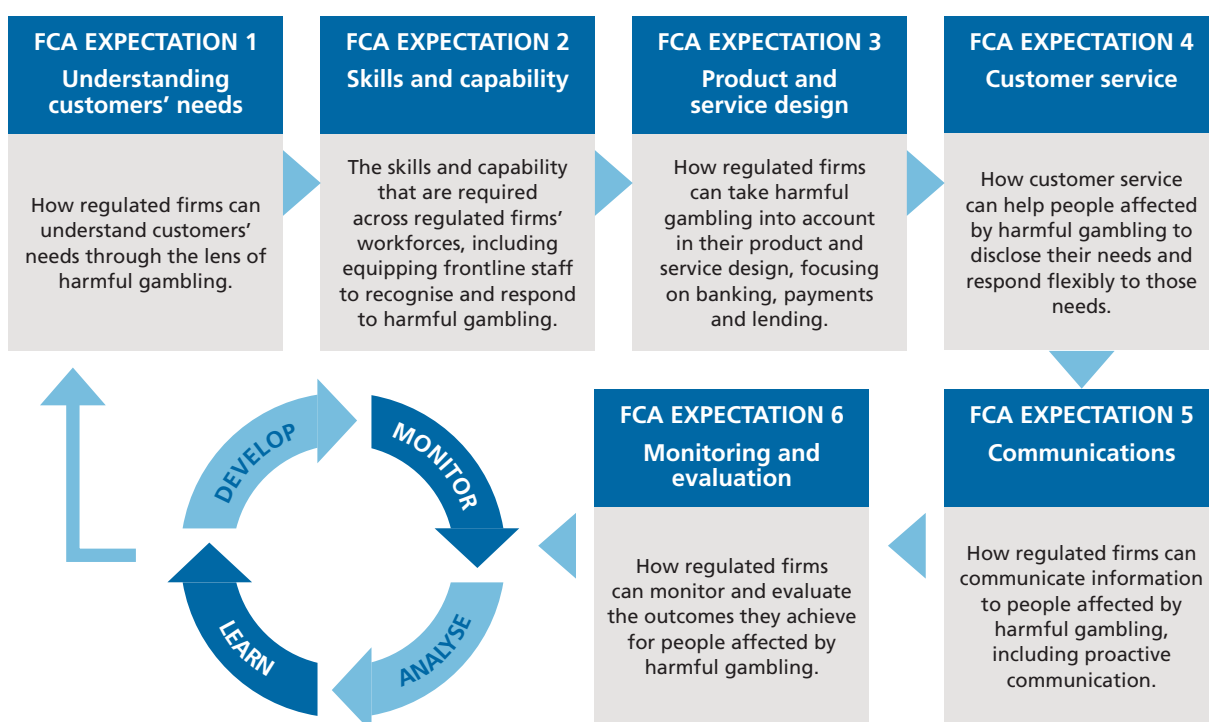
MAGPIE (Money and Gambling: Practice, Insight, Evidence) is a three-year partnership between the University of Bristol and GambleAware. For more information on MAGPIE: [magpie.blogs.bristol.ac.uk](https://magpie.blogs.bristol.ac.uk)

# Executive summary

## This guide

New Financial Conduct Authority (FCA) guidance sets out its view of what regulated firms should do to comply with their regulatory obligations regarding the fair treatment of vulnerable customers. A vulnerable customer is someone who, due to their personal circumstances, is especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care.

This guide explores how the FCA's six expectations can be applied to harmful gambling. It offers practical examples of how regulated firms are already identifying and supporting customers who are at risk of gambling-related harm and what more could be done.



## Why this is important

Up to 1.2 million adults in Britain are classified as 'problem gamblers'. Harmful gambling is not limited to 'problem gamblers', however, so the real number of people at risk of harm is much higher and includes 3.1 million adults who are affected by someone else's gambling.

One bank in our research identified that 2.8% of its customers (around 140,000 people) showed some signs of harmful gambling, of which 1% (around 50,000) were a serious cause for concern. Some regulated firms will have target markets and customer bases that have a higher risk of gambling-related vulnerability.

Regulated financial services firms are well-placed to address the financial harms linked to gambling-related vulnerability. For example, they can help prevent over-indebtedness and support customers who experience problem debt. Doing this may have knock-on benefits for other dimensions of gambling harm, such as people's mental health.

## The evidence base for this guide

This guide is based on data from around 50 hours of interviews and discussion groups that were undertaken between September 2020 and April 2021, made up of:

- In-depth interviews with 20 people affected by harmful gambling.
- Group discussions and in-depth interviews with:
  - Representatives of financial services firms.
  - Debt advisers working in non-profit organisations.
  - Gambling treatment and support professionals.

## FCA expectation 1: Understanding customers' needs

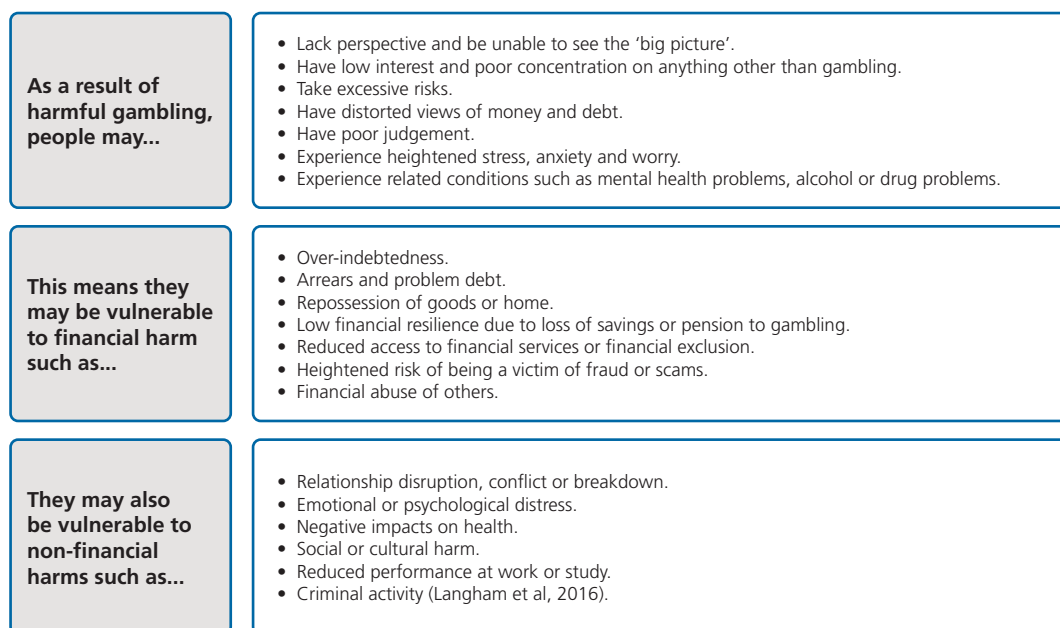
The FCA expects the firms it regulates to:

1. Understand the nature and scale of characteristics of vulnerability that exist in their target market and customer base.
2. Understand the impact of vulnerability on the needs of consumers in their target market and customer base, by asking themselves what types of harm or disadvantage their customers may be vulnerable to, and how this might affect the consumer experience and outcomes.

## What gambling-related harms are people vulnerable to?

Figure 1 illustrates how gambling-related vulnerability can affect people's engagement with financial services, adversely impact decision-making and lead to poor outcomes (for the person who gambles and those around them). Regulated financial services firms are well-placed to tackle the financial harms linked to gambling-related vulnerability. Doing this may have knock-on benefits for other dimensions of harm, such as people's mental health.

**Figure 1 Gambling-related vulnerability: The impact on consumers and resultant harms**



## FCA expectation 1: Understanding customers' needs (continued)

### How can regulated firms assess the likely scale of harmful gambling in their target market?

Gambling prevalence data shows that some groups of people are more likely to be at risk of 'problem gambling' including:

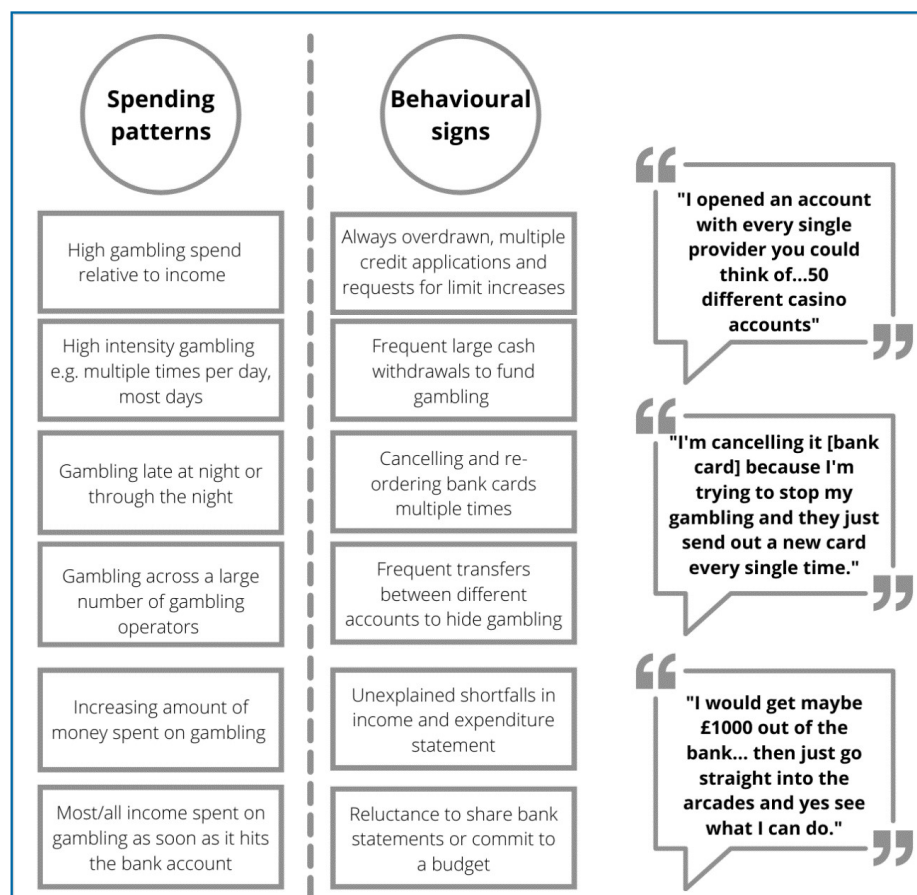
- Men
- Young people aged 18-34
- People from a lower socio-economic background
- People from minority ethnic backgrounds.

These at-risk groups are over-represented in some sectors – notably high-cost credit, motor finance, overdrafts and credit cards that are not paid off in full each month. Lenders in these sectors may want to take these data into account when thinking about the fair treatment of customers who are vulnerable to gambling harm.

### How can regulated firms assess the likely scale of harmful gambling in their customer base?

The proactive analysis of customer transaction data is key to regulated firms knowing their vulnerable customers, including understanding the extent and nature of gambling-related vulnerability. It can also help regulated firms – especially those with a target market that may be particularly vulnerable to harmful gambling – to take action to prevent harm occurring. Figure 2 gives examples of flags of gambling-related vulnerability that regulated firms could use in their analysis. It is unlikely that any single criteria or flag will be sufficient to identify potential gambling-related vulnerability; rather it will be a combination of these.

Figure 2 Example flags of gambling-related vulnerability



## FCA expectation 2: Building skills and capability

The FCA expects the firms it regulates to:

1. Embed the fair treatment of vulnerable consumers across the workforce.
2. Ensure frontline staff have the skills and capability to recognise and respond to a range of characteristics of vulnerability.
3. Offer practical and emotional support to frontline staff dealing with vulnerable consumers.

### Embedding the fair treatment of consumers who are vulnerable to harmful gambling

Gambling-related vulnerability was not a standard feature in the work that regulated firms in our research were doing to embed the fair treatment of vulnerable customers in their organisations. This suggests there is scope for regulated firms to do more, particularly where their target audiences and customer bases are at higher risk of harmful gambling.

Actions that regulated firms can take to improve the skills and capability of their workforces include informal information-sharing sessions among colleagues about gambling issues they encounter; engaging people with lived experience of harmful gambling; organising training with gambling treatment and support organisations; and attending external events on gambling issues.

### The skills and capabilities needed to recognise and respond to gambling-related vulnerability

A key challenge for regulated firms is when and how to talk to customers and clients about harmful gambling. This includes preparing frontline staff for 'bad paths' where conversations might be difficult or do not go well. Below are some practical examples of what regulated firms are doing to build skills and capabilities around customer interactions. Figure 3 on the following page goes on to set out eight ideas for conversation starters with people at risk of gambling-related harm and six qualities for a good customer interaction. These apply equally to verbal and written interactions (including webchat or online advice).

### Practical examples of building skills and capabilities around customer interactions



**Having a script for loan declines:** A credit union has developed a script for loan officers to initiate conversations with members in situations where loans are declined because they are not affordable due to gambling. 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.



**Asking about 'past, present and future':** Where customers in financial difficulty get in contact, a bank's Financial Support Team are trained to ascertain the situation and ask customers about the 'past, present and future'. They find this approach helps create space for a discussion with the customer, for example around gambling transactions on their account and the possible consequences of gambling-related debt, such as adverse impacts on their credit file.



**Building trust:** A credit card provider has upskilled its customer service advisers to deal with a variety of calls where a customer would be classed as vulnerable, for example:

- Opening the call by setting the tone – positive, engaging and understanding.
- Listening to build trust and noting things that may be relevant later in the call.
- Earning the right to question – achieved through earning the customer's trust. A common phrase used is "putting the account to one side for a moment, how are you? How is this impacting you?"

## FCA expectation 2: Building skills and capability (continued)

Figure 3 Conversation starters and qualities of a good interaction

<b>Refer to the big picture</b> I know you weren't expecting to be looking at this today, but I wondered how you feel the betting you mentioned fits in with all of this?	<b>Normalise the situation</b> We see other customers in a similar situation with their gambling and money being short, and we've been able to help them. It will take me 60 seconds to explain how – is that okay?	<b>Empathic</b>
<b>Show you've been observing</b> Are the bank transactions for the online slots and bingo something we can just quickly look at together?	<b>Show you've been listening</b> You mention taking on extra shifts at work and being short of money still – what spending haven't we covered so far?	<b>Respectful</b>
<b>Show that you want to help</b> We can help on the money side of things, as there are options – can I tell you about one of the things we can do?	<b>Refer to resources</b> I'm not sure if you've seen our leaflet on all the different customers we've helped, but it shows the situations they were in and how we helped. Can I tell you more?	<b>Non-judgemental</b>
<b>Suggest a connection</b> What connections do you see between your financial difficulties and playing the lottery?	<b>Simply be direct</b> Can I ask you a question – is everything okay at the moment? If not, is there something that we can help you with?	<b>Convey optimism</b>
		<b>Encourage positive change</b>
		<b>Give people options</b>





### FCA expectation 3: Designing products to avoid potential harmful impacts

The FCA expects the firms it regulates to:

1. Consider the potential positive and negative impacts of a product or service on vulnerable consumers. Design products and services to avoid potential harmful impacts.
2. Take vulnerable consumers into account at all stages of the product and service design process, including idea generation, development, testing, launch and review, to ensure products and services meet their needs.

### BANKING AND PAYMENTS:

Customers of ten large UK regulated firms now have the option to activate a gambling block which means they will not be able to use their debit card with gambling operators while the block is activated. Most card blockers have a cooling-off period between the time the block is deactivated and when the cardholder can start gambling again – up to 72 hours in some cases.

#### What else could regulated firms do?

**Debit card gambling blocks:** Debit card providers can introduce the option for customers to activate a gambling block (ideally with a cooling-off period), if they have not already.

**Credit card blocks:** Although gambling on a credit card is banned in Britain<sup>1</sup>, there is still arguably a case for credit card gambling blocks because the ban:

- Does not apply to consumers in Northern Ireland.
- Does not apply to gambling businesses regulated outside Britain. This means that people may still be able to use a credit card on overseas gambling sites unless their lender offers a gambling block which they have activated.

**Other spending controls and money management tools:** Regulated firms could make other spending controls and money management tools available as standard so that customers can:

- Set limits on cash withdrawals.
- Set a daily spending limit on a debit card.
- Block gambling transactions via e-wallets.
- Set a daily limit on faster payments.
- Ringfence money for priority bills and payments.
- Receive money management support from a third party (such as a family member) without having to use risky workarounds such as sharing account security details.

---

<sup>1</sup> This includes gambling on credit cards via an e-wallet or other money service business.



## FCA expectation 3: Designing products to avoid potential harmful impacts (continued)

### LENDING

For people harmed by gambling in our research, lending products had invariably exacerbated their gambling-related vulnerability. Gambling also seems to feature in a growing number of Financial Ombudsman Service (FOS) complaints, including complaints about affordability (Box 1).

#### Box 1 FOS decisions which feature the keyword 'gambling'

A search of FOS decisions in 'banking, credit and mortgages' using the keyword 'gambling' shows:

- **50** decisions for the period 01/04/14 to 01/04/15, with **12%** of complaints upheld by FOS.
- **197** decisions in the period 01/04/16 to 01/04/2017, with **58%** of complaints upheld.
- **399** decisions in the period 01/04/20 to 01/04/21, with **56%** of complaints 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<sup>2</sup>.

### Using data to inform lending policies and practice

- One bank analysed its customer complaints where gambling was mentioned. Around 40% were from customers who thought the bank should not have lent to them because of their gambling.
- Some lenders used FOS decision data featuring gambling to inform their policies and practice.
- Lenders could also analyse their data to better understand the impact of gambling on credit delinquency rates. Higher delinquency rates among customers who gamble may suggest that changes are needed to lending policies and affordability assessments.

### Developing lending criteria for cases where gambling is identified as an issue

Most lenders in our research had developed criteria for making lending decisions where gambling was identified as an issue.

One approach used by lenders is a '**hard cut-off**' where credit applications are automatically declined if gambling spend exceeds a certain threshold. A lender's own data analytics can inform the precise metrics they use, for example testing which is the better indicator out of gross gambling spend (ignoring money won from gambling) or net gambling spend (where winnings are taken into account).

Some lenders also **flag credit applications for further review** where gambling spend is below their 'hard' threshold but still concerning. Other possible actions for lenders include:

- **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.
- For **revolving credit products**, restricting automatic credit increases where gambling is identified as a potential vulnerability.

<sup>2</sup> Examples of recent upheld decisions in respect of lending affordability where there was evidence of gambling include:

<https://www.financial-ombudsman.org.uk/files/300204/DRN3100666.pdf>;

<https://www.financial-ombudsman.org.uk/files/298635/DRN8720382.pdf>;

<https://www.financial-ombudsman.org.uk/files/300315/DRN-2635905.pdf>

## FCA expectation 3: Designing products to avoid potential harmful impacts (continued)

### JOINT ACCOUNTS

An estimated 30 million adults in the UK have a joint account. While they can be a useful money management tool, joint accounts (and joint household bills) can be a source of harm for partners of people with a gambling disorder, as our examples from lived experience illustrate.

Debt advisers cannot advise on joint debts without the consent of both parties, which can also leave affected others in a difficult situation.

#### Examples from lived experience

**Mia** discovered that her partner had gambled over £30,000 from their joint savings. When she contacted her bank, they said they were unable to help. She and her partner have now closed their joint savings account, but Mia remains worried and scared about the future; and is upset with herself for not checking the savings account more often.

**Debbie** does not have a joint bank account with her husband because of his gambling disorder. They do however have a joint mortgage, and Debbie is worried that he may have extended the mortgage or taken on other debt to fund his gambling. It seems she hasn't looked into this for fear of what she might find.

**Hannah's** previous partner had mental health problems that affected his ability to work and were linked to shopping sprees and escalating gambling. Their Council Tax and utility bills were in joint names and when they got behind with payments due to her partner's gambling disorder, Hannah negotiated repayments for all of them and paid them back herself after the relationship ended:



**"I'd say it probably has taken a good part of two years to clear it off, to be honest."**

A safer joint account using Open Banking payment initiation could mean that:

- Money would stay in the user's own current account until a joint payment was initiated.
- Payments could be split differently depending on partner preferences.
- Crucially, better traceability around who makes decisions about the money in the account makes it easier to prevent abuse (<https://betterjointaccounts.com/>).

While the technology exists to build this product, it is not yet available. In the meantime, other ways that regulated firms could offer more protection for joint account holders include making card-based gambling blocks the default on new joint accounts; and enabling joint account customers to set up transaction alerts so that each party is notified of any activity on the account. These protections may help ensure that joint money is not spent on gambling by one account holder without the other account holder's knowledge<sup>3</sup>. They may also be a useful tool to support someone who is trying to cut back or abstain from gambling.

---

<sup>3</sup> Less positively, this type of alert feature could also be used to perpetrate financial or economic abuse.



## FCA expectation 4: Responsive customer service

The FCA expects the firms it regulates to:

1. Set up systems and processes in a way that will support and enable vulnerable consumers to disclose their needs. Firms should be able to spot signs of vulnerability.
2. Deliver appropriate customer service that responds flexibly to the needs of vulnerable consumers.
3. Make consumers aware of support available to them, including relevant options for third party representation and specialist support services.
4. Put in place systems and processes that support the delivery of good customer service, including systems to note and retrieve information about a customer's needs.

### Customer disclosure of gambling-related vulnerability

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 a regulated firm 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 response from regulated firms will be an important factor in determining whether they experience a good or bad outcome. For debt advisers and staff working in collections and recoveries, if clients do not disclose harmful gambling there is a risk that any actions to address their debt will not be effective.

**One bank in our research analysed its customer complaints where gambling was mentioned. The second largest category of complaints – 30% – comprised customers who complained the bank did not help them when they disclosed their harmful gambling. The largest category of complaints was from customers who thought the bank should not have lent to them because of their gambling.**

Regulated firms can actively create a good disclosure environment by making it simple for customers to tell them about a support need but also have supportive messages across all communications. Our examples of missed opportunities (below) suggest that regulated firms have more to do to meet the FCA expectation that they proactively offer support to customers in vulnerable situations.



#### FCA expectation 4: Responsive customer service (continued)

Missed opportunity	What could the regulated firm have done?
Frank's bank signposted him to a debt management charity to sort out his unauthorised overdraft debt but did not offer any information about gambling support even though he told them his debt was gambling-related.	Made sure that all customer-facing staff use the TEXAS model to manage disclosure and offer appropriate support such as signposting to <b>external help</b> as part of a positive disclosure environment.
Alex had a conversation with his credit card provider (pre-ban) about a significant gambling win paid onto his credit card because it took him over his credit limit. The provider did not ask anything about the multiple gambling transactions on his credit card statements.	Made sure that all customer-facing staff have the <b>skills and capabilities</b> to start a conversation around gambling and know what makes a good interaction and offer appropriate support, such as signposting to <b>spending controls, money management tools</b> or <b>external help</b> .

#### Making vulnerable consumers aware of available support

The FCA expects regulated firms to make consumers in vulnerable situations aware of the support available to them – both from their own firm and externally.

Several regulated firms in our research have dedicated pages on their websites with information for customers in vulnerable situations, including gambling-related vulnerability.

- GAIN Credit has produced different vulnerable customer personas which are available on the Money Worries Hub section of its website. They include a persona focused on gambling-related vulnerability. The personas are designed to show customers that they are not alone in experiencing problems with gambling; provide information about what the lender can do to help; and signpost to gambling self-help resources and services. GAIN Credit also hopes the information will encourage customers to disclose vulnerabilities including harmful gambling.
- A credit union in the North West of England has a Wellbeing section on its website that it can direct members to for information and help on budgeting and money management. The Wellbeing webpages include information on gambling treatment and support services.

Table 1 gives some examples of the types of external support that might be relevant for people experiencing gambling-related harm. It is not an exhaustive list and regulated firms may have their own partnerships with debt advice providers and gambling treatment and support services.

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

Help with gambling issues	Help to understand harmful gambling
<p>The <b>National Gambling Treatment Service</b> is a network of organisations working together to provide confidential treatment and support for anyone experiencing gambling-related harms. It is free to access across England, Scotland and Wales and comprises:</p> <ul style="list-style-type: none"> <li>• <b>The National Gambling Helpline</b> operated by GamCare which also works with partners to deliver one-to-one and group support at locations around Britain.</li> <li>• <b>Gordon Moody Association</b> gambling therapy, residential treatment and outreach support for adults with gambling addictions.</li> <li>• <b>NHS National Problem Gambling Clinic</b> treatment and support for adults (16+) with gambling addiction in England and Wales.</li> <li>• <b>NHS Northern Gambling Service</b> treatment and support for adults with gambling addiction across the North of England.</li> </ul> <p>Other help includes <b>Gamblers Anonymous</b> a free self-help group whose 12-step programme involves stopping gambling with the help of regular face-to-face and online support groups.</p>	<p><b>begambleaware.org</b> 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 harmful gambling that aim to raise awareness and offer support and advice. These resources may also be helpful for affected others and staff in regulated firms. Below are examples of podcasts and online resources.</p> <p><b>Podcasts:</b></p> <p><b>After Gambling</b> aims to increase awareness and understanding of gambling disorder. <b>All Bets Are Off</b> is a gambling addiction recovery podcast as is <b>The Invisible Addiction</b>.</p> <p><b>Online resources:</b></p> <p><b>Don’t Bet Your Life On It</b> is a player-led online safer gambling initiative.</p> <p><b>Humans of Scotland</b> is an initiative of the Health and Social Care Alliance Scotland sharing 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>The <b>Money Advice Service</b> has a guide to <b>tackling problem gambling and debt</b> 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><b>Citizens Advice</b> provides free confidential advice online, over the phone, and in person.</p> <p><b>National Debtline</b> provides free debt advice by phone, email and webchat and has a library of factsheets on a wide range of debt issues.</p> <p><b>Turn2Us</b> provides information and support to help people get on track financially, including a benefits calculator.</p> <p><b>Experian</b> and <b>Equifax</b> have information for people concerned about gambling on using a notice of correction (NOC) to let lenders know they do not want to be lent to. Lenders will see this NOC and should take it into account. People need to add a notice of correction at each credit reference agency (there are three main ones).</p>	<p>The <b>National Gambling Helpline and GamCare</b> support families and affected others via phone, webchat and one-to-one, as well as an <b>online forum</b> for friends and family. These services include advice on addiction awareness, how to provide support where appropriate and protecting their finances.</p> <p><b>Gam-Anon</b> is a free self-help group and the sister organisation to Gamblers Anonymous. Its 12-step programme is for those affected by someone else’s gambling with the help of regular face-to-face and online support groups.</p> <p><b>GamFam</b> helps families recognise the early warning signs of harmful gambling and how to prevent addiction. It provides information, advice and support, including <b>12 things that people can do</b> if they have a disordered gambler in the family.</p> <p><b>Gamily</b> provides online support for the families of gambling addicts.</p>

## FCA expectation 5: Communicating effectively

The FCA expects the firms it regulates to:

1. Ensure all communications and information about products and services are understandable for consumers in their target market and customer base.
2. Consider how they communicate with vulnerable consumers, taking into consideration their needs.
3. Where possible they should offer multiple channels so vulnerable consumers have a choice.

### Ensuring all communications and information about products and services are understandable

Around 16% of adults in England – over seven million people – have very poor literacy skills. This means that simple, clear communications from financial services firms and others are imperative.

The potential impacts of gambling-related vulnerability further reinforce the need for clear, jargon-free communications. These include:

- Low interest and poor concentration on anything other than gambling.
- Distorted views of money and debt.
- Heightened stress, anxiety and worry which may impair people's comprehension and communication skills.

Mental health problems, which may co-occur with harmful gambling, can also impact people's ability to process information and make decisions. This means they may find it difficult to weigh up the advantages or disadvantages of a product or service; remember what they have been told about a product or service; or understand agreements or terms and conditions.

### Proactive communication: providing information about gambling spend

Open Banking data and secure messaging has provided South Manchester Credit Union with an opportunity to help its members understand their spending on gambling. When members apply for a loan, the credit union analyses up to three months of Open Banking data to assess affordability. In cases where the Open Banking data shows gambling transactions, the credit union shares its analysis of account-based gambling spend with members through secure messaging. Where members have provided feedback, it suggests they were previously unaware of their gambling spend.

Another option for regulated firms to consider is 'norming' communications around gambling spend, where a customer's account-based gambling spend is compared with average spend. The point of comparison could be regulated firms' own customer base or population statistics. The Living Costs and Food Survey shows that average UK weekly household expenditure on gambling payments (which includes households that spend nothing on gambling) was £2.40 in 2020.

### Proactive communication: targeted customer communication

As part of its gambling strategy, a major bank has piloted a targeted mailout by letter and email to customers at risk of gambling-related financial harm. It identified this customer segment using data analytics based on a set of stringent criteria. The supportive tone of the communication is around 'helping you with your finances' and customers are offered tools and resources to reduce or stop gambling. While the communication does reference gambling transactions on the customer's account, it does not mention amounts spent or other details. The mailout has been rolled out gradually so the bank can monitor customer feedback. It also plans to monitor the impact this communication has on gambling spend.

## FCA expectation 6: Monitoring and evaluation

The FCA expects regulated firms to monitor and evaluate whether vulnerable consumers have outcomes as good as other consumers and take steps where they fall short. It expects firms to:

1. Implement appropriate processes to evaluate where they have not met the needs of vulnerable consumers, so that they can make improvements.
2. Produce and regularly review management information, appropriate to the nature of their business on the outcomes they are delivering for vulnerable consumers.

### Outcome measurement

Outcome measurement means assessing whether a regulated firm's action, policy or intervention resulted in a change (something happened) or no change (nothing happened). Table 2 gives some examples of outcome measures and indicators for gambling-related vulnerability.

**Table 2 Examples of outcome measures for gambling-related vulnerability**

FCA expectation	Example activities	Example outcomes	Example indicators
<b>Understanding customers' needs</b>	Data analysis to understand extent and nature of gambling-related vulnerability among customers.	Customers at risk of harmful gambling are identified using robust, firm-specific criteria.	Number of customers identified as at risk of harmful gambling; differences by product and channel.
<b>Skills and capability</b>	Training for frontline staff on identifying and responding to gambling-related vulnerability.	Customers are routinely asked about gambling where appropriate, in an objective way.	Number of interactions about gambling and proportion that are appropriate; customer satisfaction.
<b>Product and service design</b>	Develop lending criteria to reduce harm from gambling-related debt.	Customers at risk of harmful gambling do not pay for gambling using borrowed funds.	Number of customers at risk of harmful gambling who fall behind with debt payments.
<b>Customer service</b>	Enable digital disclosure of gambling-related vulnerability.	Customers receive an appropriate response to digital disclosure of harmful gambling.	Number of disclosures of gambling-related vulnerability; actions taken as a result.
<b>Communications</b>	Targeted information to customers at risk of harmful gambling.	Customers change their gambling in ways that reduce harm.	Number of targeted customers who reduce gambling spend compared to a control group who did not receive the information.



### Monitoring and evaluation: What are regulated firms doing?

One bank in our qualitative research uses several processes to monitor and evaluate outcomes for vulnerable customers, including those experiencing harmful gambling:

- **Targeted call reviews:** where there has been a disclosure of vulnerability, call reviews look at the disclosure and previous interactions to see if there were missed opportunities or triggers.
- **Root cause analysis:** customer and staff feedback is reviewed to identify any issues that need to be addressed or systems and processes improved.
- **Complaints analysis:** analysis of customer complaints is used to inform lessons learned and identify areas for improvement.

### Conclusion

At a conservative estimate, at least one in ten adults in Britain – five million people – experience harmful gambling, either because of their own gambling or someone else's.

Gambling-related vulnerability can present a unique set of challenges because of its complexity, the fact that the customer may not be fully in control of their decisions or actions, and the fact that it may not always be clear what a regulated financial services firm can do to ensure the fair treatment of customers in this situation.

Using real-life practical examples, this guide shows how regulated financial services firms can translate the FCA's expectations on vulnerability into practical action when it comes to identifying and supporting customers at risk of harmful gambling. It demonstrates that regulated financial services firms are well-placed to address the financial harms linked to gambling-related vulnerability. Doing this may have knock-on benefits for other dimensions of gambling harm, such as people's mental health.





University of  
**BRISTOL**