



The Society for the Study of Gambling

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Newsletter

Number 47 Spring 2012

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The Society For The Study of Gambling

The Society for the Study of Gambling was formed in 1977 to provide a forum for those concerned with research into gambling, to promote its scientific study especially as far as the psychological, legal, social and economic aspects are concerned, and to inform and educate the public about these matters. In more recent times the Society has broadened its focus to include a wide range of issues relevant to the field of gambling.

The membership of the Society is drawn from a wide circle of people who have an interest in various aspects of gambling. They range from gambling operators, regulators, academics, and those who work with problem gambling. It is a condition of the Society that there should be freedom of opinion and practice among its members, so that the Society does not take any particular stance in relation to gambling.

Meetings

The Society holds two meetings a year in London, usually in May and November. Meetings are held under The Chatham House Rule and cover a wide range of topics reflecting current gambling issues. In recent meetings this has included discussion on aspects of regulation, technology, research, and social responsibility.

Newsletter

Talks and papers presented at the Society's meetings are often reproduced in the Newsletter at the invitation of the Editor and with the permission of the author. They are not intended to be an alternative to publication in a learned journal.

The Editor welcomes unsolicited manuscripts, book reviews, and other items which would be of interest to the Society's members.

An archive of previous newsletters is available on the Society's website: www.societystudygambling.co.uk

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Editorial

Lorien Pilling, Research Director, Global Betting and Gaming Consultants

2011 marked the 50th anniversary of legalised betting shops in the UK and this edition of the Society's newsletter opens with two articles which take a nostalgic look at the betting industry. The first is an excerpt from John Samuels book *Down The Bookies* which traces the development of the betting shop in the UK, interspersed with the author's own personal memories.

Angus Dalrymple recounts his experience of working for William Hill in the 1940s, prior to the introduction of legal betting shops. Mr Hill was actually quite a late entrant to the new betting shop sector, only opening his first shop in 1966, some five years after legalisation. Today William Hill Plc has some 2,300 betting shops across the UK. Mr Dalrymple's article gives a fascinating insight to the betting industry in post-war Britain for those of us too young to remember it. The article first appeared in *BOS Magazine* (No 185, July/August 2011). It is republished here with the kind permission of the editor Mary Pitt.

Lucien Wijsman, Principal of The Slot Academy, gives the benefit of his expertise in describing the different types of customer that visit casinos and what they expect from their visit. It is an article that should be of interest to both gaming operators and researchers alike.

Dr Abby McCormack and Liz Karter both use their articles to address aspects of problem gambling and the Internet. Dr McCormack has recently completed her PhD at Nottingham Trent University with the title of her thesis being *The psychosocial impact of online problem gambling*.

The Society usually runs its meetings in May and November but departed from that schedule with a meeting held in January 2012 at the ICE Totally Gaming event at Earls Court, London. The speakers covered the regulatory outlook for the UK gambling market, the recent convictions of the three Pakistani cricketers for spot-fixing, and the tribulations of running a gambling business in turbulent economic times.

The speech delivered by Warwick Bartlett at that meeting is reproduced in this edition of the newsletter.

A trip “Down The Bookies”

John Samuels, Case Manager, IBAS

During 2010 John Samuels realised that the 50 year anniversary of the legalising of Betting Offices in 2011 was soon to be upon the industry and wondered if anyone within the betting shop fraternity would be making an event of it. He heard on the grapevine that some media editors planned to feature the event in their publications and that some operators were holding individual celebrations but no-one apparently had considered putting all of the 50 year history together in a book, so he set about doing it himself.

Along with personal tales and anecdotes John soon found that researching the book reminded him of milestones along the road that betting shops have trod. Betting tax, horserace betting levy, illegal gambling, live TV broadcasts, Sunday and evening opening, National Lottery, FOBTs, the Gambling Commission, betting coups, race fixing, the end of the demand test and a host of other issues have come the way of the betting shop operator.

Some of the other noteworthy events have been the seven winners ridden by Dettori in one day at Ascot, foot and mouth epidemics, the demise of the “Sporting Life” and the birth of the “Racing Post”, months of cancelled racing due to bad weather, multi-million pound mergers and buyouts by the major betting shop operators and the selling off of the Tote. A read of the book “Down The Bookies”, which has been published by Racing Post Books, will soon convince the reader that bookmakers are a resilient group who, despite adversity, are able to turn most negatives into a positive and ride out any storm.

Reproduced below are a few excerpts picked from the book.

Gambling has a long history, not only in the UK, but also around the world. It became a major part of mainstream life in the UK in the early 1800s when betting offices, then known as list houses, existed. The name came from the fact that lists of the day’s horse race runners would be pinned to their walls. They were everywhere – an estimated 400 in London alone – and used by both men and women.

But there was a growing anti-gambling lobby whose members believed that if the aristocracy wanted to bet, and lose money, that was their choice as they could afford it. They believed however that temptation should be removed from the lower classes of society.

Consider the painting “*The Derby Day*”, by William Powell Frith in 1858, which can be seen in London’s Tate Gallery. Please take an opportunity to view it if you are not already familiar with it, maybe via the internet. It is a picture that captures a moment in time on Epsom Downs on Derby Day. There is colour, romance, greed, excitement, entertainment and a host of other emotions depicted.

See the ragamuffins in the foreground whose parents, if they have any, probably squandered what little they had on betting or gin.

See also to the left, the woman who is trying to dissuade her husband from getting involved in the gambling that is taking place on the table next to him. They are both, no doubt, fresh from a farm in

the country and the husband already has his hand in his pocket and is itching to have a bet. Something tells me she is worldlier than he is, or maybe she can see the gentleman with the top hat, who is looking bemused because, in all probability, he has just lost all he had at the betting game, probably *Crown and Anchor* or possibly *Find the Lady* or similar, taking place at the table.

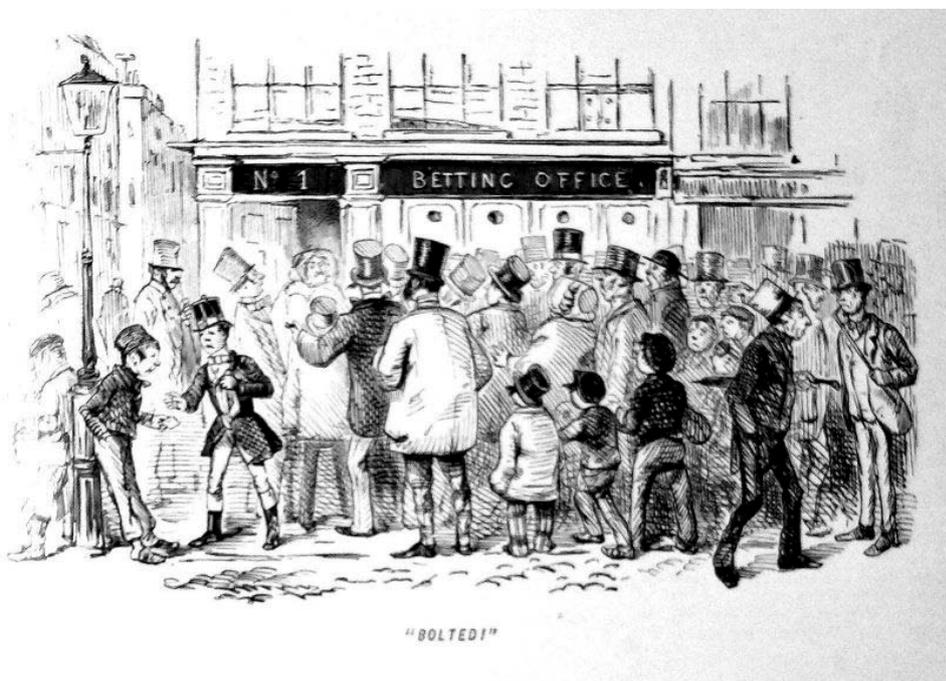
Or maybe he has just been the subject of an attack by a pickpocket. No doubt the man in the red coat, with his waving arm in the air, is trying to convince those who will listen that he knows the winner of the Derby and for a few pence will share his knowledge.

If nothing else, this 1858 painting reminds us that gambling is not new and indeed has been with us for centuries. But maybe there is a hidden message too, as a warning for the poor working class. The anti-gambling lobby believed that, for those at the bottom of the social scale, betting led to debt, which led to crime. And betting, together with the notion of getting something for nothing, weakened the fabric of family life.

The anti-gambling lobby was strong and influential. The Attorney General of the time noted: 'The mischief arising from the existence of the betting shops is perfectly notorious.' It was also the case that many owners of these list houses would abscond, should they experience a series of bad results.

Charles Dickens wrote in 1852: 'Betting shops spring up in every street! There is a demand at all the brokers' shops for old fly-blown, coloured prints of racehorses, and for any odd folio volumes that have the appearance of Ledgers. Two such prints in any shop window and one such book on a shop counter, will make a complete Betting Office.' Not exactly a glowing testament to the professionalism of the industry of the time.

But not many of the betting offices had good financial backing. More often than not crowds could be seen gathering outside, trying to collect their winnings, only to realise that the owner had 'done a runner'. The cartoon, shown below, by John Leech, circa 1850, entitled "*Bolted*" probably sums it up.



Laws were passed during the ensuing years in an effort to curtail the activities of bookmakers but, ever an entrepreneurial body, the bookmakers continued their trade, even onto the streets. Typically the bookmaker would stand in an area where a group could gather without causing too much of an obstruction under a large umbrella – hence on-course bookmakers today are typically to be seen standing beneath large umbrellas.

Subsequently, in an effort to stamp out these practices, the Street Betting Act of 1906 was passed. Again this had little success as it merely heightened the excitement of betting and illegal bookmakers thrived. The police also found the Act difficult to enforce, as is always the case with unpopular laws.

An uneasy false truce thus existed between 1906 and 1961 when, due to a change in legislation, the *Sporting Life* reported on 1st May 1961: 'Cash betting is now legal in shops. Off-the-course cash betting becomes legal in Britain today. If you have a fancy at Nottingham, Lanark, Wye or Hexham you can go to a betting shop, pay over your stake money and receive your winnings in cash immediately after the weigh-in, just as if you were actually on the racecourse.'

Most years have their memorable and historical moments and 1961 certainly had its fair share. Among other events the farthing (a quarter of an old penny) ceased to be a coin of legal tender. Amnesty International was formed and the Berlin Wall appeared. Mothercare started and the romance between the Ken and Barbie dolls began. The satirical magazine *Private Eye* hit the streets. Ernest Hemingway died of self-inflicted gun wounds, John F Kennedy was inaugurated as president of the USA and the TV programme *Songs of Praise* was first broadcast.

The biggest event in the UK however was undoubtedly the legalisation of betting offices, ending the legal farce, or at least most of it, that had gone before.

By the end of May 1961, the first month after legalisation, there were approximately 7,000 betting shops open and trading. By the end of 1962 there were over 13,000 and by the end of the 1960s there were more than 14,000 betting shops open.

The horse racing lobby of the time was, as now, an influential one, and insiders feared that attendances at racecourses would decrease with the opening of betting shops. As a consequence they convinced the government that betting shops should pay a levy to the horse racing authorities on horse racing bets that were taken in the betting shops.

Winston Churchill had tried to impose such a levy on bookmakers in 1926, but the bookmakers of the day would have none of it and to show their discontent they had gone on strike at Windsor racecourse and withdrew their services. Without bookmakers to bet with, the race-going public showed the government their displeasure and the levy idea was soon dropped.

Things were different in 1961. Betting shop operators were grateful they could now trade legally and there was a willingness to contribute to the sport that provided their core business. The first levy was based, with some provisos, on either 10% of profit, or 0.25% of turnover, whichever produced the greater figure. It was estimated that it would bring in approximately £1 million. In the event it raised just under £900,000.

It is strange that this new industry, which would bring employment, tax contributions, and benefit to the horse racing industry through the levy, had legislation applied to it that resulted in Licensed Betting Offices becoming basic and soulless places. Legally, there could be no advertising on the

premises, no inducement or encouragement to bet, no seats, no drinks or refreshments, no radio or television broadcasts, and opening hours exclude Sundays and periods after 6.30pm.

One might wonder what the locals made of the titles that were displayed over the betting premises. 'Betting Shop', 'Licensed Betting Office', may be clear and descriptive enough, but what were they to make of 'Commission Agent' or 'SP Office' or more confusing still 'Turf Accountant' and those signs that read simply 'Bookmakers'. There were surely cases of bewildered gardeners entering Turf Accountants, wanting to buy grass seed or turf, and authors and stationers entering Bookmakers wanting to have books published or folio pages bound.

Ever since they opened, Licensed Betting Offices have had something of an identity crisis. What were they, offices or shops? The public began to call them, and to recognise them as, betting shops. Yet legislation did not allow them to operate as a shop.

This confusion lasted for many years. Over time, betting office owners wanted to be recognised as operating shops and be part of the retail, or even the leisure scene, on the high street and to be able to attract the leisure pound of the potential customer.

In those halcyon days of the 60s and 70s (and for some possibly later still) it was an open secret that a bookmaker could put fictitious 'winning' bets through his books. This would have the effect of reducing the annual profit and therefore the corporation tax to be paid. I have no doubt that those old school operators used this type of skulduggery if they had an exceptionally good year.

One such year was 1967, when Foinavon, ridden by John Buckingham, won the Grand National. Foinavon won the biggest betting race of the year at odds of 100-1. It was not so much that he won the National, more that the others lost it.

The horse was a genuine no-hoper, but this actually helped him to win the race. On the second circuit, with Foinavon at the back of the field and the leading horses about to jump the 23rd fence, the one after Becher's Brook, a riderless horse – ironically called Popham Down – was at the front of the pack.

Popham Down had fallen at the first fence, got up and carried on without his jockey. But Popham Down decided the 23rd would be one obstacle he would not jump, and refused before running across the front of the fence. This caused the horses following him to either pull up or tumble into the fence. More horses and jockeys coming up from behind saw the carnage ahead and pulled up; some stopped so abruptly they threw their riders over the fence.

John Buckingham, on Foinavon, saw the scene in front of him but because he was so far in arrears he was able to steer Foinavon around the mayhem and successfully jump the fence. He then stole a long lead, which he maintained to the finishing line (the remarkable pile-up is there for all to see in video footage on the web). The Tote return of 444-1 was probably an accurate reflection of Foinavon's true chance of winning the race.

Foinavon had been named after a group of mountain peaks in Scotland (the word is Gaelic for White Mountain). If you visit Aintree and walk the Grand National course you will see that alongside the famous fences Becher's, Valentine's and the Chair, the 23rd fence has been named Foinavon. This is not because of the mountain-like difficulty in getting over it – as it is one of the smallest on the course – but after the horse who provided the Grand National with such a sensational result. Maybe

it should have been called Popham Down after the horse that caused such mayhem; it has a more obvious meaning to it, don't you think?

Because of Popham Down I spent most of that 1967 Grand National day putting my settler's red pen through 99% of the bets taken on the race. A few had placed the odd shilling (5p) each-way on Foinavon, but the result was almost a skinner for the book. It was celebration time at the bookmaker's I was working for at the time with a bonus and, later that evening, beers all round for the staff.

But there was a shock coming for betting shop operators later that year, in what turned out to be one of the worst periods for bookmaking for a long time to come. In October 1967, just before my 20th birthday, news broke that a sow on a farm in Shropshire had foot-and mouth-disease. I thought no more of it and carried on managing my shop. Over the coming days I began to realise that what had happened on that farm in Shropshire was serious. Horse racing was cancelled and no animals were allowed to move out of the area that they were already in. Over the course of six months 430,000 animals were slaughtered in an effort to eradicate the disease. Many farmers lost their livelihoods.

Picture the scene in betting shops up and down Britain with no horse racing for many months. Some Irish and French racing was covered, as was greyhound racing, but turnover was in the basement. This event and the subsequent bad weather winters of 1967/68 and 1968/69, when racing was abandoned for several weeks at a time, were catastrophic for betting shops. Most let go of some or even all of their staff, or put them on reduced hours. Some went out of business, while others sold up for a pittance to the larger organisations.

So, although it was clear that owning a betting shop could produce a good living, profit was by no means assured. Industry leader Cyril Stein of Ladbrokes saw the long-term potential of betting shops and bought up and opened as many as he could. By 1967 he had 109 premises, and five years later more than 1,100 betting shops had the name of Ladbrokes above the door.

Likewise the William Hill organisation: In the early days the organisation, taking a steer from William Hill himself, did not see betting shops as a profitable long-term option. William Hill the man loathed their very notion and was quoted as saying betting shops were 'a cancer on society'. But in 1966, when it was clear what profits were being made, the William Hill organisation, somewhat belatedly, also started buying up shops from those proprietors who wanted out.

When racing resumed, I noticed that some of the regulars failed to return to the shop to place bets. It was a pattern I saw recur in years to come whenever racing was abandoned for any length of time due to bad weather or the like. It made me consider the psychology of the punter and in my somewhat amateurish way I reached the conclusion that, just like any addict, if a regular gambler can be weaned off their addiction they will be more able to resist the urge to partake should temptation be put in their way again.

Fast forward through the book to the turn of the millennium and, over the intervening years, bookmakers had put contingencies in place that would ensure trade would not be lost should horseracing be affected.

One such initiative was the introduction of gaming machines, or FOBTs (Fixed Odds betting Terminals) as they were originally called.

FOBTs were an instant success with punters and bookmakers. The betting shop owner did not now care how much turnover or churn there was, as tax was now on profit (loss by the punter) and not on stakes.

There are many theories as to why these machines have become so popular. Some say it is because the payback to the customer is so regular. Indeed, if you want to spend half an hour in a shop and want a good-value bet there is no better than the roulette wheel or other such game where the house has a margin of only 2.75%.

Others say it is the speed of the play that makes the machines so popular. The punter does not have to wait half an hour for a horse race, neither does he have to wait while the race is run. The bet and the result are instant. If the punter loses he can try again straight away and if he wins he will want to quickly repeat the experience. The punter does not have to spend time studying form, or rely on whether the horse, dog, jockey or player is on form.

Others say it is because the games are simple to understand and easily learnt. Certainly this is the case with roulette. Some others say the popularity is partly due to the machine's anonymity. The punter does not have to write out a bet and hand it to a cashier but can simply load the machine with credit by feeding it notes or coins. The customer can then play until his credit is exhausted or until he wishes to stop and cash in whatever credit balance remains. He does this by pressing a button on the machine, the machine then issues a voucher which can be redeemed at the counter.

Or maybe the reason is simply that the games are fun and attractive to play and provide an escape from humdrum everyday life. The initiative was started by a Steve Frater of The Global Draw and Admiral Bookmaker's company and demand for the machines was high. Also producing machines were Cyberview (which was taken over by Barcrest, which in turn was taken over by Global Draw) and Inspired Gaming. At this point, in the early 2000s, there were no restrictions on how many machines could be installed in betting shops.

Betting shop operators could not believe what a goldmine the machines were proving. Players were queuing up, and at the end of the day the machines were stuffed with cash. Initially, Frater had as many as 24 machines installed in some of his Admiral shops.

But soon the Department for Culture, Media and Sport and the Gaming Board, along with casino operators, were taking a keen interest. Some believed the machine was casino-type 'gaming' and were taking trade away from casinos and adult gaming centres (AGCs). The betting industry, via the ABB, believed what was on offer were bets.

In the early 2000s, in an effort to head off adverse action against FOBTs in betting shops, the ABB drew up a code of conduct for their supply and use. This included the restriction of only four machines being allowed per betting shop and restrictions on the maximum stake and payouts. The machines are still said to be 'on-probation'. But, and bringing this article up to date, the circa 8500 betting shops that are currently trading along with the 40,000 or so staff employed in the industry, not to mention those associated industries and trades who service and administer to the betting shop world, would be far far fewer if it were not for the trade that the gaming machines bring.

What do the next 50 years 2012-2062 bring? Although I have my own ideas and they are outlined in my book, I'll leave it to someone else to tell the actual tale when it unfolds.

The William Hill I knew

Angus Dalrymple, Journalist, CBC-TV News

This article first appeared in BOS Magazine (No 185, July/August 2011). It is republished here with the permission of the Editor Mary Pitt.

Angus Dalrymple began his career in the bookmaking business during the Second World War. Billed as Gus Dalrymple in the Sporting Life from 1962 to 1966 (and again in 1972) he wrote about betting shops and racing personalities. He now writes for CBC-TV News in Toronto.

July 30 2011 is a very important anniversary in my life. It's exactly 66 years – nearly two thirds of a century! – since I began working for William Hill in Park Lane, London, as a settler. But it was a close-run thing, desperately tight.

I was a teenager and getting my first glimpse of a city dreadfully damaged by Hitler's bombs. The fighting in Europe was over but the war against Japan was still on.

"Can you settle?" Henry ("Nick") Nicholls, Hill's bluff and hearty staff manager, gave a bemused look as he gazed down at my slight figure that summer afternoon in 1945. (In less than two years I would tower over him.)

He took me into the phone room and gave me a very tricky settling test: five pound each-way doubles, trebles and an accumulator on four winners including, I shudder even now to recall, a 100-7 shot and one at 13-8 on in a dead-heat.

I set to work and after many minutes gave my completed paper to Nick. He took it to a man with a pronounced limp who was walking near a desk. This was Don Hart, Hill's Communist racing manager; the Soviets of course were our allies then. Don took a paper from the desk and gave it to Nick. I then saw them shake their heads as they compared my returns with theirs. Nick, frowning, came back over.

"Your doubles are wrong, lad, and so are your trebles. Your accumulator's adrift too. So I'm afraid it's no go."

He saw my face fall. "Look, son, we'll take care of your fare up from Cardiff and any other expenses. I'm sorry."

I'd double-checked my answers and could not believe it. How could I be so wrong? I was just going out to head for Paddington Station and home when I heard Don Hart's deep voice suddenly call out, "Hold it, Nick, just a sec."

Don was again looking at my answers, but this time with a slight smile. Nick went back to him. The two whispered for a second. Then Nick, also smiling now, came over.

"Our racing manager's just noticed something. Tell me, have you ever settled bets on a credit basis before?"

“Never, sir, I’ve only worked on cash letters and street stuff from our runners. It’s all ready money, you see.”

“That accounts for it, you’ve included the stakes in your returns; we don’t do that up here because all bets with us are on credit, that’s what misled us. It’s lucky Don spotted that your shillings and pence are correct, it’s only the pounds that are different because you didn’t deduct the stakes. Congratulations. Would you like to meet Mr. Hill?”

Would I? My heart was thumping with relief and joy.

Soon I was being shown into a private office. The head of William Hill (Park Lane) Limited was in London that day because there was no horse racing, only a greyhound meeting; wartime restrictions permitted turf meetings just a few days a week so as not to jeopardise the war effort.

The tycoon, who was one of the few bookmakers to keep operating during five years of war and now ran the biggest firm in the country, rose from his desk to greet me. I was looking at a dynamic, well-dressed, dark-haired man in his early forties with a genial smile and twinkling eyes. What Hill saw was an awkward 17-year-old in a suit from the Fifty Shilling Tailor and a shirt and tie from Marks & Spencer.

“Sit down, son. Nick tells me you’ve done a good test and would like to join us. Cigarette?”

His mellow Midlands accent rolled over me like syrup. I couldn’t believe the firm’s founder was lighting me up.

“Nick says you’re with Sherman’s in Cardiff. I know old Harry. How long have you been working for him?”

“I started as an office boy just before the Derby last year, sir, but a few weeks later I was promoted to settler.”

Hill picked up a pair of spectacles and put them on, thoughtfully writing down what I told him. “So you started with him in May last year. Tell me, how much is Harry paying you a week to work out bets for him?”

“Thirty-two and six, plus 18 pence a night tea money.”

Hill gravely wrote down this information, then looked up. “TEA money? Never heard of it. What’s that?”

“We get one and six a night for staying late and getting all the settling done before we go home.”

“And you get paid this five times a week so you can buy yourself a cup of tea and a sandwich?”

I nodded and he got busy with his pen again. “At eighteen pence a night that’d bring your money up to...”

“Two pounds a week, sir,” I said helpfully.

Britain's Number One oddsmaker took off his glasses. "I'm afraid we don't pay tea money here, but what I can give you is five pounds a week basic pay and an extra pound every time you work a dog night. You can do that five times a week if you want, so that'd bring your money up to.."

"Ten pounds a week. And thank you very much, sir."

Mr. Hill put down his pen and smiled. I was in!

* * * * *

I joined the firm on Monday, July 30, 1945, and soon found I was luckier than I thought. The news came from racing manager Don Hart, the Communist crippled when he was stabbed in the leg during a clash with Fascists in Hyde Park in the '30s. He also told me he religiously bought two copies of the pro-Soviet newspaper, the Daily Worker, every day and left one on the bus in the hope another passenger might be converted.

"Your boss Harry Sherman tried to stop you coming to us," Don said on my first day as we stood by his desk overlooking the same Hyde Park that had maimed him. "He phoned last week asking for Mr. Hill but as he was away at the races I took the call. 'Mr. Hart,' he said, 'I'm terribly short of good staff and it would really help if Bill could hold off on taking Dalrymple away from me. The fact is, most of my best settlers are still in the army and can't come back till they're demobbed, you know how it is. So if you'll please tell Bill my problem, I'm sure he'll understand'."

Don Hart's lantern jaw twitched as he recalled the way a bloated capitalist was trying to exploit a lowly worker.

"I said, 'No, Mr. Sherman, and I know Mr. Hill will agree with me on this. I think we should let the boy have his chance'. That's why, Angus, you're here with us now."

It was then Don told me something Harry Sherman couldn't have imagined and not many people realise today: it's that William Hill was a staunch supporter of the Labour Party and as much of a left-winger as his racing manager was.

I went to work with a will and loved it. Most of the staff were men and women too old to have been called up or who'd been invalided out of the services on compassionate grounds or because of war wounds. The crowded settling department was on the first floor next to the phone room.

Accounts staff worked on the ground floor (here I met Ron Pollard, who went on to be one of the heads at Ladbroke's). Our mail room and filing department were on the second floor.

DAILY ROUTINE: Mornings began by finishing up greyhound business from the night before. Then came the settling of thousands of postal bets from across the country. Next we calculated ante-post wagers and wrote out clients' vouchers.

If there was time before lunch we engaged in the "stuffing" of envelopes with Hill's latest promotions or took bets in the phone room using a brand-new invention, ballpoint pens.

After lunch we got down to the nitty-gritty of the afternoon's horse or dog racing. Runners and results were shouted to us in a strong northern accent by "Willie" Williams from the phone room's

doorway. Then came his bawling of the “weighed-in” signal followed by his equally clamorous delivery of the Tote dividends. The uproar reigned until the day’s work ended.

OFFICE VISITORS: I saw fiery Phil Bull, a man with flaming red hair and a beard to match, wearing a navy uniform (he was the founder of Timeform); Florence Desmond, a stunning actress who went on to star in the William Hill Show on Radio Luxembourg and with whom it was said Hill was having an affair (she certainly paid enough visits to Hill’s private office on non-racing days); Hill’s best client, the millionairess Dorothy Paget, owner of a large string of racehorses (she was the subject of one of Hill’s favourite jokes, of which more later); singers and comedians Bud Flanagan and Chesney Allen (both gamblers from the famous variety act “The Crazy Gang”); and Roy Sutterlin, a debonair young man in air force uniform who said he was hoping to work for us after the war (he eventually joined us as a telephonist and trainee settler – I showed him the new “block” system, a time-saving method of working out bets – and the aircraftman went on to become one of Hill’s top aides and a director of the company!).

One day in the phone room I tried a new tack. Instead of announcing “William Hill” when I took a call, (many of the Londoners around me said “William ‘Ill” including one ripe Cockney named Tom Simpkins who actually said “This is ‘Ill speakin’”), I decided to say “William Hill of Park Lane at your service.” My greeting brought me a nice surprise.

It happened when Don Hart limped his painful way over to me. “You’re to go to the cashier and tell him you’re getting an increase in pay of a pound a week. That was Mr. Hill you just put through to me. He said to tell you he likes the way you answer the phone.”

I never saw William Hill in a bad temper. Not even when he bought large and shiny highly polished tables for the settling room along with dozens of self-extinguishing tall black plastic ashtrays with gleaming chrome tops. Within weeks every ashtray in the place had vanished. Hill remarked to Nick: “Well, at least we’ve still got the tables.”

On non-racing days he often came into the settling room to regale us with racing jokes. He often told the same stories but so enjoyed chuckling over them no-one ever reminded him we’d heard them all before.

One he never tired of telling was about the punter who went to Epsom with only ten shillings (50p), backed winner after winner and was thousands of pounds up until the last race when he lost everything. He had to walk all the way home, where his wife greeted him with “How d’you get on, Fred?” and Fred answered, “I lost ten shillings.”

His Dorothy Paget story told how a new Welsh announcer at Chepstow races got the sack on his first day. His voice sang out over the loudspeakers: “Attention, please! The Stewards have informed me that Miss Dorothy Paget’s Fanny has just been scratched. In the paddock.”

Hill said the news naturally turned the betting market upside down; it was only minutes before the race and a new favourite had to be quickly installed. Then the announcer came on with the extra information that cost him his job: “May I have your attention again, please! The Stewards now inform me that to the best of their knowledge and belief, Miss Dorothy Paget’s Fanny has never even been entered!”

* * * * *

The war in the Far East ended and a great Victory Parade was planned. Park Lane was on the route and Hill's office gave a great view of the marchers passing the reviewing stand. Friends of the firm packed the phone room and settling department on the great day. What with the blaring bands, cheering crowds, and Willie Williams bawling the results, bedlam reigned throughout that memorable afternoon.

Months later as Christmas approached I received two invitations: one was from the government, telling me to report for military service in January; the other was from William Hill asking me to go to his first-ever staff party.

The occasion, the first of many I attended down the years, was held at Fisher's nightclub in Bond Street. On the big night, our racing manager, Don Hart, made us all sit up.

Hill's principal guests were announced by a doorman at the top of the grand staircase. We all gaped when we suddenly heard him call: "Sir Donald Hart!"

Don, immaculate in a dinner jacket with a white carnation, came limping sideways down the stairway, one at a time. When he reached the foot, the Master of Ceremonies boomed again: "Sir Donald Hart!"

What an entrance. The sight of a onetime Communist agitator masquerading as a knight for a night made William Hill, Nick Nicholls and the rest of us break up.

Later Mr.Hill, in his speech to the company, said that while I was away doing my service in the army he was arranging for me to be paid my salary in full every week.

What a man.

Playing for time

Lucien Wijsman, Principal, The Slot Academy

It is said that the urge for risk-taking is part of human nature, like the urge for food. Be that true or not, I find it interesting to compare these two urges.

Comparing the parameters of places where one can eat with parameters of places where one can gamble, I find that there are amazing similarities and we can possibly learn something from the comparison too.

Restaurants come in different styles and formats; there are high-end restaurants where the quality of food and beverages and other services complement each other. Visitors to these venues are willing to dress up, spend time on travelling and pay for the quality of the view and atmosphere in addition to the food and beverage services offered. Live entertainment creates value in these types of restaurants, as do the quality of the lighting, the uniforms, the decoration and many other non-food and beverages-related services. At the other end of the restaurants-spectrum we find the fast-food restaurants. Key words for those types of locations are convenience, speed of services and affordability.

In Casinoland we have Integrated Casino Resorts at one end of the land-based casino spectrum and Slot Halls at the other end. One is not better than the other - they just aim to fulfil different visitor expectations. The analogy with the restaurant example is that a Michelin Star Restaurant is not better than a Hamburger Restaurant, they just attract visitors with different expectations. What makes a Michelin Star Restaurant or a Hamburger Restaurant excellent is their ability to fulfil the expectations of the visitors who walk through their doors. It goes without saying that understanding the expectations of the visitors is a key factor in being able to fulfil these expectations. If you don't know what it is your customers want, how can you ever meet (and occasionally exceed) their expectations?

In other articles I have introduced different groups of casino visitor profiles: casino visitors grouped together based on their expectations when visiting a Casino or Slot Hall. I then defined the *Non Player*, the *Fun Player*, the *Time on Device Player* and the *Gambler*.

Each of these groups of casino visitors has a specific set of expectations. Understanding these expectations and subsequently creating a product and services offering that fulfils the expectations of one or more of the casino visitor groups is the basis for a successful operation. Communication of product and services offerings to the specific casino visitor groups is an important element in the success of a casino. Be clear about what it is visitors can expect when they visit your location and focus on the casino visitor groups whose expectations you can fulfil.

It is my belief that one of the biggest mistakes operators can make is to assume that all visitor profiles will visit their location, regardless of the products and services that are offered inside that location.

Advertising creates expectation (or at least that's the aim of good advertising); as a result a good advertisement will attract those visitors who identify with the expectation that has been communicated by the advertisement to a gaming location. If the gaming location does not deliver on the expectation the advertisement created, first time visitors (lured by the advertisement) will be

disappointed and will not visit the gaming location again. In most European countries more than 90% of first time casino visitors are disappointed during their first casino visit. The reason for this is that many gaming locations over-promise and under-deliver. If they were to under-promise and over-deliver, the statistics would look completely different. Calling your Slot Hall 'Nevada' or 'Taj Mahal' is like putting a Maserati sign on a Dacia Logan. Let it be clear that there is absolutely nothing wrong with a Dacia Logan, but calling it a Maserati creates an expectation the poor car cannot live up to (and that's an understatement).

Part of the problem is that first time casino visitors have an expectation created by cinemas, television and other media that is not in line with the atmosphere and services offered by most casinos in Europe. I remember my first visit to the Casino in Monte Carlo, which was a disappointment - not because the Casino is not a beautiful casino, but because my expectations were wrong. I had an image from the Casino based on - mainly - the James Bond movies I had watched over time. I somehow expected beautifully dressed ladies and gentlemen, wearing expensive jewellery, playing thousands of euros per spin on the tables. This expectation was in sharp contrast with the five wrinkled old ladies playing five euro chips on red and black on a roulette table (it was a Wednesday afternoon). The clearly very bored dealers and supervisor put oil on the fire of my shattered expectations.

The bread and butter of most gaming locations in Europe are *Time on Device Players* and *Gamblers*. I dare say that most Slot Halls do not have a product and services offering that would meet the expectations of the *Non Player* or *Fun Player*. There is nothing wrong with that, providing the marketing manager does not start a marketing campaign focused on the *Non Player* and the *Fun Player*.

Knowing that most Slot Halls attract *Time on Device Players* and *Gamblers*, and understanding the expectations of these two groups, is essential to being able to deliver an experience in line with the expectation of these two groups.

In a nutshell, *Time on Device Players* have a lot of time but a limited amount of money per visit, whereas *Gamblers* have a limited amount of time but a larger amount of money per visit. The expectations of those two groups are opposites! A slot floor that is not clearly separated into a *Time on Device* area and a *Gamblers* area will not meet the expectations of at least one of the two groups; very likely it will fail to meet the expectations of both groups!

The *Time on Device Player*:

- Sees the casino as a social escape, as a place to spend time
- Is attracted by the fact that he or she can meet likeminded people
- Thinks to spend time is more important than to play
- Believes contact with staff and other guests is a reason for visiting
- Expects a friendly approach by staff
- Tends to visit during the daytime, mostly during working days
- Plans visits with a fixed budget
- Is often retired and with large amount of free time
- Makes friends/new social contacts inside the casino
- Has lots of free time to spend inside and outside the casino; he or she can spend time on travelling to the casino
- Has limited resources; he or she cannot afford to play above 'the budget' for an extended period of time

- While in the casino, has time to socialize with other visitors and staff, watch football, have a lengthy lunch or dinner or - in general - spend time on non-gaming related activities (like reading a newspaper)
- Spends enough time on gaming devices to 'understand' the differences in player return percentages
- Typically plays the minimum bet on machines (all lines with one credit)
- Needs good seating
- Will use a Loyalty Card (but expects to see a 'result' on this card) and would travel more to visit a casino where his/her perceived 'playing time for money' is better
- Is unlikely to play more than one machine at the same time
- Believes changes in the casino environment are important (themed promotions)
- Should not be forced to play a higher average bet than he/she can afford (progressive jackpots are not a tool to fulfil their expectations).

The Gambler:

- Focuses on games and play and is competitive
- Is attracted by the competitive elements of games
- Concentrates on intellectual aspects of games
- Wants to outsmart the casino and derives fun from this
- Accepts and neglects the risks of the game
- Seeks the intense emotion of the game
- Puts him/herself at the centre and expects recognition from staff
- Visits casinos when he/she feels like it
- Is volatile in spending pattern
- Does not visit a casino often, but if he/she visits, plays at fairly high stakes
- Will continue to play with winnings, increasing the bet when winning
- Is a risk taker, inside and outside the casino
- As a risk taker, is successful at times (inside and outside the casino)
- As a risk taker, does not have a lot of spare time; he/she typically does not plan their visit to the casino but seizes the opportunity
- Has limited time to spend in the casino (both in number of visits and time per visit)
- As a risk taker, is attracted by volatile elements in games; getting into trouble (financially) and then getting out of trouble is part of the 'kick'. A low hit frequency is NOT a volatile element in a game; all types of players prefer a hit frequency of around 1:3
- Is more likely than the other casino visitor profiles to get into trouble because of their playing habits (dopamine dependence problems and/or financial problems)
- Who increases his/her visit frequency and time per visit to casinos is very likely to get into financial trouble (time spent inside the casino cannot be spent on making money outside the casino)
- Prefers to combine activities while inside the casino (watching football, while playing, or while having something to eat). Services should be delivered AT the gaming machine
- Is more likely to play more than one machine at the same time (auto-start on one or two machines and play electronic roulette at the same time)
- Is not likely to 'feel' the difference in theoretical player return percentages because of the limited duration of gaming sessions
- As risk takers, gamblers do not exceed 3% of the population.

The area where you try to fulfil the expectations of the *Time on Device Players* in your casino or slot hall has different equipment and services from the area where you try to fulfil the expectations of the *Gambler*. The two different areas should have different games (mathematical concepts), different minimum and maximum bets, different services, a different attitude from staff, a different layout of the floor and different use of progressive and mystery jackpots. A *Time on Device Player* in the *Gamblers'* area of a casino will not have his expectations met, and vice versa.

The psychosocial impact of online problem gambling

Dr Abby McCormack, Nottingham Trent University

This report will focus on some of the findings from my PhD research examining the psychosocial impact of online problem gambling. The research developed an understanding of internet gambling, particularly in terms of the psychological implications of the design of gambling websites. This report will present a summary of key findings rather than going into the detail of each particular study or the methodology used; (for more detailed information on the individual studies refer to McCormack & Griffiths, 2011a; 2011b; 2012; McCormack, 2011).

There is a relative lack of research investigating internet gambling and the impact it can have psychologically and socially on people's lives. The way websites are designed can entice people to start gambling and the situational and structural characteristics of websites can have a potentially damaging impact on gambling behaviour, particularly on potentially vulnerable players. Situational characteristics are primarily features of the environment (including location, the number of gambling venues in a specified area, possible membership requirements), as well as internal features of the gambling venue (e.g., décor, heating, lighting) and get people to gamble in the first place (Griffiths & Parke, 2003). Structural characteristics are responsible for reinforcement and facilitate excessive gambling (Griffiths, 1999). By identifying particular situational and structural characteristics it may be possible to: examine how different situations might evoke different levels of gambling in the same individual; understand player motivation and what influences how they gamble; educate problem gamblers about such warning signs as an ancillary form of prevention and treatment. They may also help clarify why some forms of gambling are more attractive to particular socioeconomic classes (Griffiths & Parke, 2003).

Structural characteristics thought to have a greater impact online compared to offline gambling, which may contribute to problematic play when gambling online include: event frequency, event duration, free practice games, multi-game opportunity, the continuity of play, autoplay features, bonus features and electronic payment. For example, factors relating to payment can have an impact on problem gambling behaviour on the internet. The use of electronic money can lead gamblers to spend more money gambling online than they otherwise would have done offline. It can also lead gamblers to spend more money gambling online a lot quicker. An option for future research and policy initiatives may be to focus on regulating factors relating to payment. In situations where it is impossible to gamble with real money (e.g., internet gambling) the online gambling websites should clearly display the financial value of the available credit, as well as display clearly the amount won or lost after each play, so players can see clearly how much credit they have available and make them more aware of how much they are spending, i.e., ensuring websites clearly display time and money spent online and enforcing deposit limits. Autoplay features (where the game is automatically played on behalf of the player) were significantly associated with online problem gambling. This is a danger as it increases the event frequency and allows for players to gamble on more than one activity at the same time. Problem online gamblers were also more likely to report that they gambled online because of the anonymity. This supports the view that anonymity is a potentially problematic feature of online gambling (Griffiths, 2003).

Situational characteristics thought to contribute to problematic play when gambling online include: availability, number of venues/websites, accessibility, affordability, and anonymity. Indeed, internet gambling is providing convenience gambling through the 24/7 availability and the easy accessibility.

Convenience was rated as the greatest motivation for gambling online. Increased availability of gambling opportunities has been found to be related to an increase in problem gambling (Abbott, Williams & Volberg, 2004). As online gambling is one of the fastest growing forms of gambling (Griffiths & Parke, 2004), there is the possibility that online problem gambling rates may increase as the availability of gambling websites increases. As there are approximately 2,300 gambling websites (Online Casino City, 2010) there is an urgency for research examining what impact the design of these websites is having on gambling behaviour and participation rates. Recent prevalence figures reveal that 9.3% of adults surveyed in the U.K. reported participating in online gambling in the past month (Gambling Commission, 2010). Early research has indicated that problem gambling rates may be much higher online compared to offline gambling (Griffiths, Wardle, Orford, Sproston & Erens, 2009; Ladd & Petry, 2002).

Although there are characteristics associated with online problem gambling, it is important to note that the structural and situational characteristics of online gambling are to some extent individually specific, affecting some individuals but not others. Individual features will have an impact on how each characteristic affects player behaviour, i.e., it will depend upon the 'psycho-structural interaction' (Griffiths, 1999).

Online problem gambling can have huge psychosocial consequences for an individual, and a detrimental effect on quality of life and wellbeing. The problem gamblers experienced a high pre-occupation with gambling leading to personal, social, and financial negative consequences. The health problems experienced by problem gamblers included mental health problems (i.e., depression, anxiety, panic attacks, stress, suicidal thoughts and suicide attempts), physical health problems (i.e., sleeplessness, malnutrition, heartburn and health neglect), and emotional health problems (i.e., low self-esteem, low self-worth, and feeling guilty), as well as comorbid addictions such as alcohol and drug abuse. This is in line with previous findings suggesting a relationship between problem gambling and perceived quality of life (Erickson, Molina, Ladd, Pietrzak, & Petry, 2005; Morasco, vom Eigen, & Petry, 2006; Pasternak & Fleming, 1999; Pietrzak, Molina, Ladd, Kerins, & Petry, 2005). The problem gamblers experienced a wide range of emotions when gambling online as well as extreme highs and lows. Problem gamblers were significantly more likely to feel euphoria, excitement, anger, escapism, loneliness, frustration, irritability, shame, emptiness, guilt and happiness compared to non-problem gamblers. Participants also talked about experiencing an emotional 'roller coaster ride' (Nixon, Solowoniuk, Hagen & Williams, 2005) when gambling.

Problem gamblers, both online and offline, share many similarities regarding the impact the problem behaviour has on quality of life, e.g., experiencing mental health, physical health and emotional health problems. It would seem that problem gamblers experience a wide range of problems which non-problem gamblers do not experience, and the medium in which a person gambles appears to make no difference to the impact the problem behaviour has (i.e., whether the person engages in offline gambling or online gambling). Clearly, clinicians need to be aware of the possibility problem gamblers may experience comorbidity such as depression, anxiety, suicidal ideation and alcohol and drug abuse. Undoubtedly, excessive gambling causes serious problems by itself. However, in some cases, the gambling behaviour may be seen as a symptom that must be addressed along with the problematic behaviour (Porter, Ungar, Frisch, & Chopra, 2004). It is most likely that problem gamblers will experience a range of physical, emotional and mental health problems but these will most likely vary between males and females, and between people across the lifespan. Sensitivity to individual differences is therefore critical in therapeutic situations.

This research has highlighted the specific structural and situational characteristics of online gambling which may be potentially more problematic online compared to offline gambling. The findings of this

work have important implications for policy and practice, as expanding on our understanding of internet gambling will inform regulation within the UK. Appropriate interventions for individuals with a gambling problem can be developed to help them control their gambling behaviour when using online gambling sites.

There are also issues that need to be considered and recommendations regarding the structural and situational characteristics of internet gambling and harm minimisation. For example, policy makers may wish to consider focusing on regulating factors relating to payment, and player awareness and education, so that players themselves can be aware of characteristics to look out for and how to control their gambling behaviour. Gambling websites should clearly display information on account activity such as warnings of potentially harmful patterns of play, amount of money spent, and time spent online. Links to problem gambling support should also be displayed, and players should have the ability to pre-commit to a certain level of expenditure and should have the ability to self-exclude. However, gambling websites should continue to be fun, exciting and play-inducing, but with the eventual aim of minimising harm.

By acknowledging structural characteristics, researchers are also acknowledging the ability of the design of gambling websites to manipulate gambling behaviour. Identifying and understanding the role of structural and situational characteristics of internet gambling has implications in understanding what makes internet gambling potentially addictive, and can lead to measures to reduce the potential problematic features of the design of gambling websites to protect potentially vulnerable players, while still keeping the sites enjoyable for the vast majority of gamblers who are able to engage in controlled gambling behaviour. Through the identification of these structural and situational characteristics, and careful evaluation of how they affect gambling behaviour, there are clear implications for the treatment and prevention of problem gambling related to internet gambling. Clinicians and treatment professionals need to have a good understanding of the design of internet gambling websites as this will give them additional insight into the motivation of the problem online gambler. In treatment, the clinician can explore whether any of these situational or structural characteristics were reasons for their gambling. For example, some online gamblers may be affected by the high event frequency, the multi-gambling opportunities, websites with free offers, the anonymity or any other factors. The fundamental advantage of having an awareness of the psychology of internet gambling and website design is that it may facilitate the treatment providers understanding of specific player motivations.

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Problem gambling and the Internet

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Liz is a therapist specializing in women and gambling

Bearing in mind the limitations of this article, let us be clear from the start: the attraction of online gambling is not just the chance of winning money. As with any form of entertainment, online gambling offers an escape from life's problems.

So what makes the difference in recreational and problem gambling? In very simple terms I list below the factors which can trigger the start of problem gambling in many people:

A. An aspect of life feels so intolerable that the escape offered by the online world seems preferable to returning to the real world.

B. As a result of the point above, increasing amounts of money and time are spent on the experience. Unaffordable financial losses are made and a cycle of loss-chasing begins.

C. Because such gamblers are investing unaffordable amounts of both time and money, debt problems escalate, personal relationships and performance at work deteriorate. Life feels even more intolerable; any win is re-invested, thus buying more playing time, which in turn leads to more time escaping. Again, any losses will be chased.

It is not of course as simple as ABC for the problem gambler.

The Gambling Act 2005 - as well as allowing the responsible advertising of gambling - introduced the licensing of internet gambling for the first time. The idea behind it was to ensure adequate regulation of online gambling. Sadly, however, it has proved difficult to enforce with many gambling companies moving off-shore. Having said that, I am aware from experience that most UK online gambling companies take seriously their social responsibility. Such companies wish to promote responsible gambling and work towards the prevention of problem gambling. Operating self-exclusion policies for customers who experience problems with gambling and training staff to identify potentially problem behaviour are invaluable.

In terms of statistical evidence, there is nothing as yet to support the notion that there has been an increase in online gambling problems since the Gambling Act came into force in 2007.

If we increase the availability of anything potentially 'addictive' we increase the chances that it will be misused and some people will develop problems. Experience has taught me, however, that the vast majority of people who develop gambling problems - or indeed any addiction problems - are individuals who have unresolved problems in their life and are using gambling as a form of self-medication. Last year, the NHS reported that 20% of adult women are being treated for mental health disorders, while 75 % of the women I have treated in groups have mental health issues.

In contemporary society the alternative reality of the online world is an acceptable and familiar part of day-to-day life. If something is familiar, we tend to trust it and are more willing to engage with it. Online gambling breaks through what was, for many women, the mystery and taboo of the male-

dominated bookmaker or casino. It offers an experience which can seem just a step along the way from social networking sites where new games can be tried and new friends made online. This can be very attractive for those who are isolated and lonely – as are many women who gamble. 74 % of members in the women's groups for problem gambling I established and facilitated over the last five years live alone, or alone with children. Those within the mental health system, and the elderly, who often feel on the edge of society, can find a sense of belonging in an online gambling site. It is a great leveller. Are these issues that can be or should be or could be dealt with through tighter gambling regulation? Or are they a reflection of the fragmentation of the family, of the pressures we are under to work hard to the exclusion of friendship, and of how inadequately we care for the vulnerable in modern western society?

The latest British Gambling Prevalence Survey did indeed show a rise in problem gambling amongst women from 0.2 % - 0.3 %. When considering the implication of this increase in problem gambling, we cannot ignore the fact that many alcohol and drug treatment services have also reported an increase in women with addiction problems. This indicates, I believe, that addiction is a wider social issue and that the rise in online problem gambling cannot merely be blamed on enthusiastic advertising campaigns. The issue of problem gambling, as with all addiction, is more complex than that.

Since the popularity of online gambling has increased, there is however a change I have noted in the pattern of clients presenting with gambling problems. Female problem gamblers tend to gamble for escape and emotional management and historically they have favoured slot machines. An increasing number are now gambling online as well as, or instead of, on slot machines. A similar experience of blocking out thoughts or the numbing of feelings can be gained through both activities. The age range presenting in women's groups historically was 26-57 years of age. 50 % of group members reported problem gambling lasting more than ten years. In the last year, an increasing number of women in their early to mid twenties have presented for treatment with online gambling problems. These women are often coming forward for help significantly earlier as a result of their falling into debt more quickly with online gambling than the slot machine players.

Another pattern I have seen developing is in younger male clients, some of whom report problems with traditional land-based gambling which they use to obtain a "buzz". On making losses which they cannot afford, they use excessive online gambling to attempt to block out the depression, anxiety and stress they feel as a result.

Online gambling makes the practical act of gambling so much easier. Gambling online eliminates the need to leave the home if physical mobility is difficult; it removes the need to organise childcare, or to go out when exhausted after work. Indeed, it can even be engaged in *at* work or in a house full of others. For the online problem gambler, there are no unexplained absences as would occur if they attended a bookmaker or a casino, arousing the suspicion of colleagues or family. If the computer screen is out of sight, so is the gambling problem.

This aspect of invisibility makes online gambling difficult to moderate. In traditional land-based gambling venues it is easier to identify the person whose gambling is out of control. Online, it is much harder to know whether the player's emotional and psychological state is acceptable, or whether they are under the influence of drugs or alcohol. If physical presence is removed, so is verbal communication, intonation or body language as indicators of whether the gambler is playing with affordable time and money or whether they are just buying as much time out of their life problems as possible. It is impossible to tell if they are financially down to the wire, or in a panic-driven cycle of loss-chasing.

It is harder for the gamblers themselves to be aware of the reality of their financial situation. The money played with is not cash to be seen, felt and handed over, all of which are a reminder of the value of money. Rather, the money is merely numbers on a screen which can seem meaningless. As one young male problem gambler described it: "I'd never put a £500 cash bet on in the bookie, but online I'm just pressing figures." It is not unusual for clients to report playing online with amounts of money they would never gamble in an equivalent land-based activity. Often they are unaware that all their money has been spent until their card is empty and play has to stop. This brings them with a huge crash back into a harsh reality, and often triggers loss-chasing.

The speed at which online games can be played adds to the danger of triggering a downward spiral of loss-chasing in those who have previously gambled recreationally, I have heard several examples of clients on low incomes who have enjoyed land-based bingo halls for many years. On playing online bingo they were taken by surprise at the speed of play, lost money which was all they had for survival that month and in desperation began to beg, steal, or borrow money to attempt to win back what was lost. During my extensive clinical experience many of my clients have been involved in legal proceedings as a result of problem gambling behaviour. Offences ranging from fraud, theft from the workplace and shoplifting to armed robbery have been committed by those reduced to desperate measures by their excessive gambling. I have found that those involved in the legal process - from probation officers to magistrates and judges - are often confused by what constitutes problem gambling behaviour.

Drug and alcohol addiction seem to be more easily understood as we are aware that being under the influence of a substance alters consciousness and so might lead to out of character behaviour. This may be taken into consideration when sentencing. Problem gambling is often misunderstood as being driven by greed for money. An example was a telephone call I received from the probation officer representing a female client, just half an hour before her court appearance for a shoplifting charge. The probation officer asked me to encapsulate the psychology of problem gambling as she herself was struggling to understand that our mutual client was anything other than greedy and irresponsible. I explained how the client had stolen food to feed her children, having spent all her money gambling in order to escape thoughts of the abuse suffered at the hands of her alcoholic husband.

Sentencing rarely has a positive effect on changing problem gambling behaviour. Most often, the offences are committed because of the financial desperation caused by the problem gambling behaviour. It is the problem gambling which needs treating and the underlying reasons for it must be addressed if we are to prevent a cycle of re-offending.

Given what has been discussed in this article, is it fair to say that online gambling targets the vulnerable and has caused an increase in problem gambling? Those who are lonely, who have mental health problems or who are isolated are prone to misusing any online activity - even social networking and gaming - not just gambling.

Education in using gambling as form of entertainment which has an element of financial risk and which highlights the importance of playing with only affordable time and money can be helpful for some. Certain vulnerable groups in particular may benefit from education, such as those on low incomes, who describe using gambling as a 'second job'. Others might include those who are new to gambling such as young people, or those who now live in England, having come from countries where gambling was prohibited.

For gamblers who have developed a problem through gambling to excess in order to manage their emotions, education would be of little or no help. They already know about the risks involved; they know about loss-chasing; they know there are no guaranteed big wins - but to them it is a price worth paying. They are not playing for the money but are paying to play themselves into another world where the spiral of destructive thinking and emotional pain stops, just for a short time, as long as they keep focused on the screen. I hope we have seen in this article that excessive online gambling has not caused their problems, it is a *symptom of* their problems.

Even if online gambling or the related advertising campaigns had never existed, the gamblers would still be experiencing their intolerable emotional pain. They would still be experiencing the urge to numb that pain somehow. Some may already have done so via drink or drugs or even physical self-harm before finding online gambling. What helps them is treatment to stop the gambling behaviour and to address the reasons why, for them, the real world and their inner emotions are so intolerable that they prefer to escape into a virtual world and lose not just their money but their sense of self in a computer screen.

Gambling's winners and losers in turbulent times

Warwick Bartlett, Chief Executive, Global Betting and Gaming Consultants

From a presentation made to the Society on 24 January 2012

I think you will agree that 2011 was quite an extraordinary year not only for the gambling business but for the global economy as well.

The British are renowned for the way they understate a situation even when faced with overwhelming problems. For example, the intrepid explorer Dr. David Livingstone, who was in deepest Africa looking for the source of the Nile, was suffering from pneumonia, malaria, foot ulcers, and piles so savage he could barely walk. He had to contend with roasting heat and torrential tropical downpours, the porters had run away, he was attacked by slavers and he had to pull out his rotting teeth. Lurking in his gut was a blood clot the size of a cricket ball that would eventually kill him.

In his diary he wrote simply: "It's not all pleasure, this exploration."

So if you really want to know what is going on you should not ask an Englishman. However, that having been said, 2011 was a stinker for the European and US gambling industry but not for the rest of the world.

At GBGC we collect data for every country where gambling takes place and we make forecasts on what we think will happen in future years. After the collapse of Lehman Bros. we entered uncharted territory and I advised the team not to forecast beyond one year. By 2010 the global economy was recovering and going into 2011 we began our five years forecast again. In reality, this proved to be widely optimistic; nevertheless our clients demand that we try to look ahead for five years.

In gambling did anyone predict the actions on Black Friday against the US Internet poker rooms and did anyone predict the US Department of Justice (DOJ) opinion regarding the Wire Act that came out on 23rd December 2011? We knew something would happen; companies forming alliances in the USA were betting on change but you could not have predicted such a reversal of opinion and policy from the DOJ.

When we make our forecasts our starting point *used to be* micro-conditions within a particular country, taxation, licensing conditions, illegal gambling, disposable income - thirteen points in all.

These days we look *first* at the macro-economy before moving on to the more gambling-specific economic factors. We ask how sustainable is the economy itself? Greece which went into depression in 2011 saw OPAP, the monopoly provider of gambling services, lose 27% of its sports betting turnover and 20% of its lottery revenue.

On the other hand Camelot grew 20% this year and 3.5% the year before. Recessions seem to stimulate lotteries but depressions cause a massive decline in revenue.

Major Trends in the Gambling Sector 2011 -2012

- Governments' changing attitude to Internet gambling regulation
- Governments' need for revenues driving gambling regulation
- A domestic licensing regime for Internet gambling requiring a licence to be held in each country in which an operator wishes to do business
- Higher gaming taxes, with the result of a lower payout to the customer:
 - Germany proposed 5% of turnover on sports bets
 - Greece will impose a 30% tax on gross revenues plus a 10% tax on players' winnings
 - Denmark will impose a 20% tax on gross revenues
 - These are higher taxes than were originally being paid on gaming revenues by operators in offshore jurisdictions, when the 15% tax being charged in the UK was considered high
- Restriction on the types of products that can be offered under the new regulations:
 - Germany will not permit poker or casino games
 - France does not allow betting exchanges or casino games
 - Italy does not allow online slot games

The consequences for operators are:

- Increased regulatory and compliance costs associated with applying for multiple licences
- Increased margins to offset the higher gaming taxes – the cost is passed on to the customer
- Loss of some areas of business that are no longer permitted under the regulations
- Decisions to be taken as to whether or not to apply for a licence to continue operating in a particular market based on the prospect of making a profit under the new tax conditions
- The business is now established on a more solid regulatory basis and, over time, company valuations should improve, providing the operators are actually making money which was certainly not the case for those early entrants in France.

Other trends influencing the gambling sector:

- Increasing Government interest in controlling the Internet
- Increasing global use of broadband and mobile broadband, the latter being more relevant to developing economies
- European gambling firms positioning themselves in the US market
- Growth of mobile gambling
- Growth of in-running sports betting
- Government caution towards Internet casino games – they fear the games' apparent addictive nature
- Merging of social networking and gambling – poker is one of the most popular games on Facebook. In November 2011 Facebook was reportedly in talks with operators about real-money play

Winners and Losers

GBGC has identified a number of winners and losers across different gambling sectors and regions:

- Macau's casino operators have generally performed better than the US casino operators.
- The two integrated resorts in Singapore have proved a great success.
- Specialists in a certain product – like Poker Stars – have been better placed than those firms that try to do everything.
- The French Internet gambling market has not proved as successful as many predicted because of the high tax.
- Monopolies have had mixed fortunes – PAGCOR has done well in the Philippines, but Sazka lost its licence in the Czech Republic. UK operator Camelot is proving to be one of the most efficient lottery companies in the world.
- The merger of Bwin and PartyGaming has not been a success so far, either for the operator's revenues or its shareholders, but that could all change in a heartbeat if they could gain a licence to operate in the US.

Corporate Winners in GBGC's view:

Bet 365's profits exceed £100m. The company pays UK Corporation Tax and 15% gross profits tax (GPT) on its sports book, yet still stays ahead of the offshore competition.

Galaxy Entertainment in Macau showed 63% YoY gaming revenue and 93% increase in gaming EBITDA, share price up 55% in 2011.

Paddy Power has positioned itself as a leader in the market for mobile betting. In October 2011 44% of UK and Irish active sports book customers made a transaction via mobile device, while the figure for its Australian operations was 32% of customers.

Playtech increased earnings 28% YOY and is well-placed to take advantage of regulatory developments in the US.

Corporate Losers:

Atlantic City, New Jersey, has been battered by recession and competition from Racinos.

Caesars Entertainment does not have the benefit of trading in Macau like Wynn, MGM and LVS and is dependent on the US market which is struggling to come out of recession.

Intralot is based in Greece and is being dragged down by the economy. The company has lost 70% of its value and fell out of the GBGC 50 index for the first time.

OPAP, the monopoly provider in Greece, has seen revenues plummet 20% due to the austerity measure introduced.

Horse racing globally and in particular the USA has been in decline. In the US betting handle has dropped from US\$ 18.5 billion in 2001 to an estimated US\$ 12.9 billion 2011.

Looking ahead to 2012 and beyond, politicians like to give us good news to create the impression that all is well and that they are doing a good job.

Today politicians tell us we are in an "*age of austerity*". We have been here before - recessions and austerity are not new – and, as history shows, even in the worst of times people like to have a flutter.