44% of young people who have ever placed a bet have broken the law by gambling under age and technology has helped to normalise gambling in society, says CISI survey

The efficacy and integrity of the gambling industry’s vetting procedures have been questioned following a report from the Chartered Institute for Securities & Investment (CISI) on gambling habits of UK’s 18-24 year olds.

As part of the CISI’s, now annual, research on young people and financial literacy the CISI YouGov survey asked what age individuals were when they first personally placed any kind of financial bet. Of those who placed a bet 44% did so for the first time when they were under 18 years of age.

The YouGov survey for CISI conducted in May 2015, polled 1,016 18-24 year olds on their behaviour and attitudes towards gambling.

The rise of technology has been a key facilitator for young people as 73% of young males who made a bet in the last 12 months said they had done so using a betting app.

Football is the most popular sport on which to bet, with 58% of young people who have bet in the last 12 months saying they had placed a bet on a football game via a laptop/pc, whilst 40% having done so for horse racing.

Smartphones are also particularly popular for football betting with 43% of respondents saying they use this means.

Of those who bet 28% recognise they have been influenced to place a bet as a direct result of seeing an advertisement, with advertisements seen on tv and social media being the most influential.

Young men were more likely to have bet as a result of seeing betting advertised on social media: 13% compared to 5% of young women

These findings are evidence of the growing normalisation and acceptance of gambling in today’s society. Simon Culhane, CEO of CISI, asks: “Advertising for gambling is now all pervasive and so widespread that it’s the norm. Gambling is now mainstream and up front”.
The survey explores young people’s motivations for gambling, with almost half (45%) saying they bet “because it’s exciting”. However, 13% said they bet because they “needed the money”. This finding is particularly concerning and could point to underlying addiction issues.

This reinforces the social normalisation of gambling and may be at odds with Gambling Commission guidelines which state that gambling advertisements

- not portray, condone or encourage gambling behaviour that is socially irresponsible or could lead to financial, social or emotional harm;
- be likely to be of particular appeal to under 18s, especially by reflecting or being associated with youth culture;
- suggest that gambling can be a solution to financial concerns, an alternative to employment or a way to achieve financial security;
- exploit the susceptibilities, aspirations, credulity, inexperience or lack of knowledge of children, young persons or other vulnerable persons;
- link gambling to seduction, sexual success or enhanced attractiveness.

Betting is seen as more of a social activity for men than for women, with 18% of men saying they enjoy betting with friends and others as opposed to 8% of women.

The idea of cashless transactions and the importance of technology in aiding the advance of gambling habits is further explored in the CISI YouGov survey on the issue of risk with a quarter of 18-24 year olds indicating they had a high risk attitude towards money and financial situations. Young women are more likely than young men to regard themselves as having a very low risk approach (25% compared to 19%).

Football games are the most popular sport to bet on, particularly amongst young males although on average the typical male spends under £5 per transaction but overall, when the larger spenders are taken into account, the average amount is a relatively modest £7.50 per bet*. However, the frequency is a concern with 26% of males having placed more than 10 bets in the last year, compared to 4% of females.

Simon Culhane, CEO asks “Is it because we are handling actual hard notes and coins on an ever dwindling basis that our appreciation of the actual value of our money is diminishing?“

These findings come following a (21 May 2015) Payments Council report noting that cashless payments have overtaken the use of notes and coins for the first time.
Education and financial literacy are themes which have emerged from the CISI survey on gambling, as have gender-related honesty issues: when asked whether or not they found betting odds confusing, half of females (50%) but just under a quarter (22%) of males admitted to finding betting odds confusing.

However, when tested on their understanding of a particular question** on betting odds only 24% correctly answered whilst 22% said they did not know (18% males vs. 27% females).

The latter could indicate that women are being more honest in assessing their ability to understand betting odds, whereas men tend to overestimate their betting knowledge and expertise.

57% of all respondents said they had never been informed of the risks associated with betting whilst at school with a further 19% saying they could not recall whether they had been informed of the risks whilst at school.

A lack of education for young people on the subject of betting, gambling and associated risks could be contributing to a surge in under-age betting facilitated by increasing use of technology together with targeted advertising campaigns.

With snooker legend Willie Thorne revealing in the news (May 2015) his gambling addiction and declaring himself bankrupt, the role of education in informing young people of the risks associated with betting, and how it is a zero sum game, is more important than ever.

Simon Culhane, CISI CEO said: “These findings suggest that gambling is now mainstream, is seen as exciting and far more accessible – which is why 44% of young people who bet did so for the first time illegally. The results show the liberalisation of the UK gambling laws (2005) have changed the image of gambling, particularly in the eyes of the young who see this as normal, mainstream activity.

“As part of existing financial literacy education children need to be taught more about the risks associated with gambling and the concept of probability. Although probability is on the National Curriculum students are struggling to apply this learning in real life to gambling.

“This lack of financial literacy education means the gambling industry is exploiting the lack of understanding among young people. The Gambling Commission should take note of these findings, particularly regarding the normalisation of gambling in society and the lack of financial education.”
*This figure is calculated by CISI showing that, although values are small, collectively they are significant. The relevant CISI stats in this respect are:

<table>
<thead>
<tr>
<th>Base: GB Adults aged 18 to 24 that have ever placed a bet</th>
<th>Football</th>
<th>Count</th>
<th>Count x £ value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to £5</td>
<td>2.5</td>
<td>131</td>
<td>328</td>
</tr>
<tr>
<td>Over £5, up to £10</td>
<td>7.5</td>
<td>63</td>
<td>473</td>
</tr>
<tr>
<td>Over £10, up to £15</td>
<td>12.5</td>
<td>14</td>
<td>175</td>
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<td>Over £15, up to £30</td>
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<td>15</td>
<td>338</td>
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<tr>
<td>Over £30, up to £50</td>
<td>40.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over £50</td>
<td>51.0</td>
<td>8</td>
<td>408</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>231</td>
<td>1721</td>
</tr>
<tr>
<td>Arithmetic average</td>
<td></td>
<td></td>
<td>7.45</td>
</tr>
</tbody>
</table>

**Please imagine that you placed a £10 bet on an event with odds at 3-1 against winning...

Which ONE of the following do you think this means? (Unweighted base - Base: GB Adults aged 18 to 24)

a. If I win, I will receive a total of £30 back from the bookmakers (£20 winnings and my £10 original stake)
b. If I win, I will receive a total of £15 back from the bookmakers (£5 winnings and my £10 original stake)
c. There is a 75% chance I will not win
d. There is a 75% chance I will win
e. Don't know

The correct answer is c