

➤ Online Gambling Expansion in Ontario

A report from Ontario Psychiatrists



Introduction

As the Ontario government expands its gambling services into the online space, it is crucial to examine the effects of online gambling on mental health. In the quest to increase revenues, throughout 2015 the Ontario Lottery and Gaming Corporation (OLG) implemented a full range of betting games online at PlayOLG.ca.

Gambling is a fairly common activity in Ontario, with most legal-aged Ontarians gambling at least once a year. A small percentage of Ontarians suffer from a gambling addiction, a serious health issue with wide-ranging impacts on the lives of the gambler and their families. Addicted gamblers, representing a minority of Ontarians, contribute to over one-third of gambling revenues. However, with online gambling, the rates of addiction should be expected to rise. Research from Canadian jurisdictions that have already implemented online gambling show a five- to six-fold increase in gambling addiction among online gamblers compared to gamblers using physical venues.

Online gambling is a relatively new phenomenon and has been gaining prevalence in Canada over the last seven years. This paper presents various definitions of a gambling addiction, providing statistics on its prevalence in Ontario and its negative effects on an individual's well-being. Subsequently, efforts to reduce harm caused by gambling in Ontario and other jurisdictions are presented as well as a list of recommendations to reduce the gambling addiction rate and its negative adverse effects.

Gambling addiction defined

In the psychiatric world, an addiction to gambling has a very specific set of clinical criteria. According to the Diagnostic and Statistical Manual, 5th edition (DSM-5), 'gambling disorder' is exhibited by the following characteristics:

A. Persistent and recurrent problematic gambling behavior leading to clinically significant impairment or distress, as indicated by the individual exhibiting four (or more) of the following in a 12-month period:

1. Needs to gamble with increasing amounts of money in order to achieve the desired excitement.
2. Is restless or irritable when attempting to cut down or stop gambling.
3. Has made repeated unsuccessful efforts to control, cut back, or stop gambling.
4. Is often preoccupied with gambling (e.g., having persistent thoughts of reliving past gambling experiences, handicapping or planning the next venture, thinking of ways to get money with which to gamble).
5. Often gambles when feeling distressed (e.g., helpless, guilty, anxious, depressed).
6. After losing money gambling, often returns another day to get even ("chasing" one's losses).

7. Lies to conceal the extent of involvement with gambling.
8. Has jeopardized or lost a significant relationship, job, or educational or career opportunity because of gambling.
9. Relies on others to provide money to relieve desperate financial situations caused by gambling.

B. The gambling behavior is not better explained by a manic episode.¹

The Canadian Public Health Association (CPHA) provides a similar though less clinical definition of addicted-gambling behaviour. According to the CPHA, gambling involves “risking money or something of value on the outcome of an event involving chance when the probability of winning or losing is less than certain.”² The CPHA describes two levels of addiction to gambling, “problem gambling” and “pathological gambling”. Problem gambling involves “continuous or periodic loss of control over gambling; preoccupation with gambling and money with which to gamble; irrational thinking; and continuation of the activity despite adverse consequences.”² Pathological gambling involves disordered behaviour that “focuses on impaired ability to control gambling-related behaviour; adverse social consequences that are disruptive to one’s life; and withdrawal.”²

These definitions of problematic gambling behaviours share an emphasis on inability to control one’s gambling behaviour, negative outcomes with regard to finances, social relationships, familial relationships, and employment, and fixation on acquiring the resources to continue gambling. Given that there is considerable agreement and overlap between definitions, in this paper, unless specifically disambiguated, disordered, problem and pathological gambling will be combined in the terms ‘gambling addiction,’ and ‘addicted gambling/gamblers.’

It is important to note that OLG does not use the term ‘gambling’ in its name, nor in any of its documents, referring to ‘gaming’ instead. Whenever ‘gaming’ is used in reference to OLG documents in this paper, the reader should understand this to mean gambling in its various forms.

Overview of Gambling in Ontario

Gambling is a fairly common and often harmless activity in Ontario. Toronto Public Health reports that 66% of Ontarians say that they gamble at least once per year.³ However, young people and people who have low – or fixed incomes, including the elderly are more vulnerable to developing a gambling addiction. In Ontario, 3% of the population are considered to be problem gamblers by CPHA standards, and 0.3% of the population are reported to suffer from pathological gambling.³

Gambling represents a large source of income for the Ontario government. OLG is a government-owned organization, tasked with overseeing and implementing gambling operations in the province. The money earned by OLG is used to support a variety of provincial portfolios. OLG's operations and revenues are organized under four business divisions: Lottery, Charitable Gaming, Resort Casinos, and Slots & Casinos. Together, these divisions generated \$6.7 billion in revenue in fiscal 2011, and \$6.63 billion in fiscal 2012.^{4,5} In fiscal 2013, the most recent year for which an annual report is available, OLG earned \$6.67 billion in revenue, of which the Ontario government received \$2.07 billion.⁶ Since 1975, OLG has paid nearly \$40 billion to the provincial government.⁶

Like other government monopolies, all of the revenue that OLG pays towards funding provincial programs ultimately comes from the pockets of Ontarians themselves. In the case of gambling, though many Ontarians report participating at least once per year, a small number of heavy users generate a disproportionately large amount of revenue for OLG. In fact, research conducted in Ontario shows that the small group of addicted gamblers (approximately 3.3% of the population) generates 36% of OLG's profits.³ This raises concerns about a disproportionate burden on, or the exploitation of, people experiencing addiction.

OLG's 'modernization' strategy

Ontario Lottery and Gaming Corporation's modernization strategy was initiated in 2012, and entered its final stages in 2015. One of the stated aims of the modernization strategy is to "widen the appeal of gaming in Ontario, creating a broader player base while reducing the public investment required for gaming and lottery infrastructure."⁶ This means that OLG intends to encourage more people to gamble without having to create more physical spaces in which they can do so. This is the appeal of online gambling, as it represents greater revenue with minimal infrastructure expenditure.

According to OLG's online gambling strategy, the full range of casino and lottery games will soon be available online at PlayOLG.ca.⁷ OLG states that while "initially offering table games, slots and select lottery games, the site will later add online bingo and peer-to-peer poker to its offerings."⁶ To date, the website is live, offers a full range of games and is currently adding additional games province-wide. According to OLG, the launch of online gambling is projected to generate a profit to the provincial government "in excess of \$58 million within its first full year of operation."⁶ By fiscal year 2017-2018, the revenue for the province from online gambling is projected to grow to over \$100 million.⁶

General impacts of gambling

Evidence indicates that even low levels of a gambling addiction has a negative impact a person's overall health and well-being. A study of literature surrounding the health impacts of gambling conducted by the Toronto Public Health found that a gambling addiction is

associated with lower general health and well-being, chronic headaches and migraines, fatigue and sleep problems, stress, depression, anxiety and mood disorders, alcohol and drug use or addiction and suicide.³

Substance use is one of the most common negative effects of gambling. In Ontario, 33% of gambling addicts reported using alcohol or drugs while gambling, with one in five gambling addicts also suffering from alcohol or drug addiction.³ As with many co-morbidities, it can be difficult for researchers to discern causation from correlation. Many of these health effects, however, are suspected to result from the stress and strain of the financial impact of gambling addiction.

Gambling has also been associated with social problems including family-finance issues, alcohol- or fatigue-related traffic fatalities, family breakdown and divorce, domestic violence, and child poverty and neglect.³ Besides causing higher rates of bankruptcy, financial strain often leads to the inability to pay for essentials like housing, food, clothing, or medications.³ Poverty is the most immediate concern for children living in a gambling addicted household. Other concerns include psychosocial problems, educational difficulties and an increase risk of alcohol and drug use.³ Alarming, estimates show that the number of people whose quality of life and well-being is negatively affected by a gambling addiction is three to four times higher than the rate of gambling addiction itself.

Risks specific to online gambling

Primary concerns about online gambling include proximity to gambling venues, difficulty to dissuade continuous gambling and rates of gambling addictions. Multiple studies have found that an increase in accessibility is positively associated with gambling prevalence and rates of addicted gambling. In studies looking at Canadian neighbourhoods in B.C. and Ontario before and after the opening of a casino, rates of gambling addiction were twice as high on average following opening as they were prior to the casino's establishment.³ Studies have also found that people who live within walking distance (defined as 800m or less) or close driving distance (defined as 5km or less) to a casino are more likely to gamble and to become addicted to gambling.³ This has clear implications for online gambling. When gambling is available on a smartphone, tablet or computer, those individuals who are struggling to control their gambling behaviour will have a harder time avoiding gambling than if they needed to go to a physical location.

The challenge of dissuading continuous gambling is a problem for 24-hour casinos and online gambling. In Nova Scotia, for example, physical gambling machines now have clocks to tell players how long they've been gambling and calculators to tally total money spent. The game machines also prevent long-term, continual play by forcing breaks at regular intervals.⁸ Other jurisdictions have set opening and closing times for casinos, as a way to break up play,

or have installed windows in casinos to permit indications of passing time. However, online gambling evades the kinds of tactics put in place to try to address uninterrupted gambling. The lure of winning on the next bet keeps many gamblers playing long past their own financial or time limits, and 3-4% of Canadian online gamblers report that gambling has interrupted their eating or sleeping patterns.⁹ Interventions to break up continuous play have not been introduced in Ontario's gambling environments and aside from a weekly bet limit there is no indication that PlayOLG.ca will include any techniques to prevent continuous play.

Finally, there is compelling evidence that online gambling has greater addictive potential than physical-venue gambling. A study conducted in Quebec found that gambling addiction is approximately six times higher among online gamblers than gamblers who go to physical venues.¹⁰ Another study looking at Canada-wide gambling behaviours found that 4.1% of Canadian gamblers who go to physical venues experience gambling addiction, increasing to 17.1% among online gamblers.⁹ These findings are alarming. According to researchers, convenient accessibility to online gambling, ability to pay electronically, play on credit, anonymity and the possibility for players to consume alcohol or other drugs while playing are factors that increase gambling addictions among online gamblers.¹⁰ As with other websites, PlayOLG.ca is able to take advantage of website features that attract people to gamble, or to continue gambling, such as banner ads on the home page advertise incentives or the names and amounts won recently (see Appendix A).⁷ Given the evidence on online gambling in other Canadian jurisdictions, Ontario should expect a significant increase in the rate of gambling addiction with the introduction of online gambling.

Online gambling harm reduction

Ontario's current harm reduction plan is to address online gambling addiction through the existing Responsible Gaming program, and campaigns such as 'know your limit.'⁶ Ontario invested over \$50 million in 2014 in the responsible gambling program, and OLG "expects this amount to increase with the modernization of OLG."⁶ OLG reports that it has adapted existing intervention techniques to online gambling, such as training staff to recognize 'red flag' indications during online customer service interactions (such as live chats), self-exclusion programs, and time and money limits. However, a major barrier to the effectiveness of OLG's current responsible gambling initiatives, for physical as well as online gambling, is that they are dependent upon the gambler to seek them out. Canadian data shows that only approximately 8% of online gambling addicts sought help from a counselling service, and that online gamblers would prefer face-to-face help to online assistance.⁹ These results are not reflected in the OLG's current online gambling harm reduction strategies.

Additionally, OLG's default weekly deposit limit of \$9,999 (see Appendix B) per online gambler seems too high to properly address the tendency toward financial distress caused by

gambling behaviours even at CPHA's 'problem' level. The demographic data on those who are most at risk of gambling addiction show that those most likely to spend are not in financial position to do so. Furthermore, Canadian research has found that online gamblers are more likely to spend higher amounts than gamblers in physical locations.⁹ The fact that the province gains over a third of its revenue from gambling addicts makes this information especially pertinent.

OLG plans to make PlayOLG.ca available on a 24-hour, seven days per week basis and does not indicate that it has considered options to restrict uninterrupted, 24-hour access to online gambling. Similar to a casino opening and closing time, techniques such as an enforced site blackout period would interrupt gambling, and perhaps minimize gambling under the influence of alcohol or drugs.

Conclusion and recommendations

There are serious ethical, social, and health implications associated with OLG's implementation of online gambling. OLG plans to use online gambling to increase revenue yearly, achieving an additional \$100 million by 2018, despite data that shows this money will very likely come from a small population of vulnerable and addicted gamblers, many of whom are least able to afford to gamble.⁶ The impacts of gambling addiction are wide-reaching, and include damage to the health and well-being of the gambler, their family and society broadly. Although it is not clear whether harm associated with gambling can be prevented entirely, there are steps that OLG and the government of Ontario could take to reduce the harm experienced by gamblers and their families.

Following the roll-out of online gambling in Ontario, these issues are of great importance. With this in mind, the Psychiatrists of Ontario recommend the following:

1. Restrict incentives and advertising on the website; cease financial incentives, such as the \$10 registration bonus and 'Bonus Funds'; cease to list winners and amounts won.
2. Implement PlayOLG.ca website black-out periods nightly from 2 a.m. to 10 a.m.
 - During this time people are more likely to be under the influence of drugs or alcohol and thus have lower impulse-control and impaired decision-making. This time period also matches the hours during which Ontarians cannot legally purchase alcohol at government stores and bars, creating a consistency of regulating alcohol and gambling. While players can currently set time limits or volunteer to be excluded from play for a set time period, this nightly shut-down would help to force breaks in play and prevent continuous gambling.
3. Disallow the use of credit cards to deposit money into a player's online gambling account.
 - PlayOLG.ca's website currently allows credit cards issued by Canadian banks, Visa Debit cards and online instant deposits for depositing money into a

- player's gambling account (see Appendix C). Allowing the use of credit cards, in hand with the weekly deposit limit of \$9,999 encourages financial distress.
4. Reduce the highest weekly-deposit and spending limit to \$2500; implement a one-week cooling off period in the week following one in which the limit is reached.
 - The current limit of \$9,999 per week is \$519,948 more than most Ontario families earn yearly (median Ontario income is \$76,500 according to StatsCan). This is the default limit; players have the opportunity to set lower limits when they register to play. However, as a default, this high limit puts gamblers at severe risk of over-spending. Only the top most financially well off citizens could reach a weekly limit of \$10,000 without seriously damaging their solvency. Though \$2,500 per week is a radical reduction, it is still higher than the average household income when considered over an entire year (\$130,000). Thus, the default limit must be reduced. To compliment this, if a player reaches the weekly limit, they must be automatically restricted from playing on PlayOLG.ca for the following seven days as a cooling-off period.
 5. Create more prominent and direct links to addiction resources on each page or within each game; enable face-to-face video counselling with health care professionals via the website. This would require significant cooperation with mental health organizations and professionals, including social workers, nurses, physicians, psychiatrists, and psychologists.

Appendix

Appendix A. An example of a banner ad from PlayOLG.ca



Congratulations to our latest casino winners!

redvettegirl won **\$78,150** on Chimney Stacks
horizons won **\$19,025** on Siberian Storm
STUPSIES won **\$8,825** on Cleopatra
Porsche928 won **\$8,200** on Siberian Storm
michaeljackson won **\$7,280** on Medusa Queen of Stone

YOU COULD BE NEXT! [Play now](#)

Appendix B. PlayOLG.ca Terms and Conditions – Weekly Spend Limits

You must scroll to the bottom and view the complete Terms and Conditions to agree and continue.

In addition to any deposit limits established by a Player, OLG (in its sole discretion) may restrict a Player's ability to fund the notional balance of a Player Account. For example, OLG may:

- a. establish minimum and maximum amounts of funds that may be deposited by a Player with OLG for the purpose of funding the notional balance of a Player Account, on a transaction-by-transaction basis or during one or more time periods. As of the date of this Agreement, the minimum deposit amount for a single deposit by a Player is \$15, and a Player is not permitted to deposit more than a total of \$9,999 per week (from Monday through Sunday);
- b. limit the number of different credit cards that a Player can use to fund a Player Account. In addition, a particular credit card may not be registered with more than one Player Account;
- c. restrict a Player's ability to change deposit methods during specified periods of time;
- d. restrict a Player's ability to change certain credit card information or otherwise impose conditions prior to changing credit card information (for example, requiring that the Player contact Player Support); or

Appendix C. PlayOLG.ca Terms and Conditions – Methods of Deposit

5.2 - Means of Depositing Funds

A Player may fund his or her Player Account by depositing funds (in Canadian dollars only) with OLG by means of:

- a. a Visa or MasterCard credit card issued in Canada by a Canadian bank or financial institution, which the Player is authorized to use for such purpose. Players should be aware that some credit card issuers may treat the funding of a Player Account as a cash advance and charge a fee for each such credit card transaction. Any cash advance fee or other fees relating to the use of a credit card are the Player's sole responsibility. A Player should familiarize him- or herself with the terms and conditions that govern the use of his or her credit card prior to using it to fund a Player Account. OLG or its payment processing service providers may store credit card information on servers located outside of Ontario, but within Canada. In addition, OLG and its payment processing service providers may use and disclose aggregated credit card transaction information for various analytical purposes relating to their respective businesses (but not relating to a specific or identifiable Player). By using a credit card to fund a Player Account, the Player expressly consents to OLG or its payment processing service providers, or both, storing credit card information located on servers located outside of Ontario, but within Canada, and using and disclosing aggregated credit card transaction information for the purposes described in this paragraph; or
- b. a Visa Debit card issued in Canada by a Canadian bank or financial institution, which the Player is authorized to use for such purpose. A Player should familiarize him- or herself with the terms and conditions that govern the use of his or her Visa Debit card prior to using it to fund a Player Account. OLG or its payment processing service providers may store Visa Debit card information on servers located outside of Ontario, but within Canada. In addition, OLG and its payment processing service providers may use and disclose aggregated Visa Debit card transaction information for various analytical purposes relating to their respective businesses (but not relating to a specific or identifiable Player). By using a Visa Debit card to fund a Player Account, the Player expressly consents to OLG or its payment processing service providers, or both, storing Visa Debit card information located on servers located outside of Ontario, but within Canada, and using and disclosing aggregated Visa Debit card transaction information for the purposes described in this paragraph; or
- c. an Interac Online payment from a Player's bank account that the Player is authorized to access for such purpose. When Interac Online is selected as the payment option, a Player will be redirected to the online banking website for his or her bank. OLG will not collect online banking log-in or password information. A Player should familiarize him- or herself with the terms and conditions that govern the use of his or her bank or financial institution's online banking website prior to using it to fund a Player Account, including whether the bank or financial institution will charge any fees relating to the use of Interac Online. All such fees are the Player's sole responsibility.

References

1. Centre for Addiction and Mental Health, Problem Gambling Institute of Ontario. *DSM-5 Diagnostic Criteria: Gambling Disorder*. [Online]. 2015. From the *Diagnostic and Statistical Manual of Mental Disorders, 5th Edition* (section 312.31). Available at: <https://www.problemgambling.ca/EN/ResourcesForProfessionals/Pages/DSM5CriteriaGamblingDisorder.aspx>
2. Canadian Public Health Association. *Gambling expansion in Canada: an emerging public health issue*. 2000. Available at: http://www.cpha.ca/uploads/resolutions/2000-1pp_e.pdf
3. Toronto Public Health. *The Health Impacts of Gambling Expansion in Toronto – Technical Report*. 2012.
4. Ontario Lottery and Gaming Corporation, *Annual Report 2011-2012*. [Online]. Available at: http://www.olg.ca/assets/documents/annual_report/annual_report_11-12.pdf
5. Ontario Lottery and Gaming Corporation, *Annual Report 2012-2013*. [Online]. Available at: http://www.olg.ca/assets/documents/annual_report/annual_report_12-13.pdf
6. Ontario Lottery and Gaming Corporation, *Annual Report 2013-2014*. [Online]. Available at: http://www.olg.ca/assets/documents/annual_report/annual_report_13-14.pdf
7. Play OLG. *Home page*. [Online]. 2014. Available at: <https://www.playolg.ca/content/olg/en.html>
8. Blaszczynski, Alex. *Harm Minimization Strategies in Gambling: An Overview of International Initiatives & Interventions*. 2001. Australian Gaming Council.
9. Wood, R.T. & Williams, R.J. *Internet Gambling: Prevalence, Patterns, Problems, and Policy Options*. 2009. Final Report prepared for the Ontario Problem Gambling Research Centre, Guelph, Ontario.
10. Papineau, E.; Leblond, J. *Les enjeux de l'étatisation du jeu en ligne au Canada : une analyse de santé publique*. 2011. Canadian Journal of Public Health. 102(6):417-20.

The Coalition of Ontario Psychiatrists

2233 Argentia Road
Suite 100, Mississauga
ON L5N 2X3

About the Coalition of Ontario Psychiatrists: The Coalition of Ontario Psychiatrists is a formal partnership of the Ontario Psychiatric Association and the Section on Psychiatry of the Ontario Medical Association. Psychiatrists provide high quality mental health services for Ontarians. The Coalition of Ontario Psychiatrists represents over 1900 psychiatrists in Ontario. Formed in the late 1990s the Coalition facilitates coordination and cooperation between the Ontario Psychiatric Association and the Section on Psychiatry of the Ontario Medical Association.