



RESPONSIBLE GAMBLING COUNCIL

# Responsible Sports Betting in Canada

## Summary Report

The Centre for the Advancement of Best Practices

**Responsible Gambling Council**



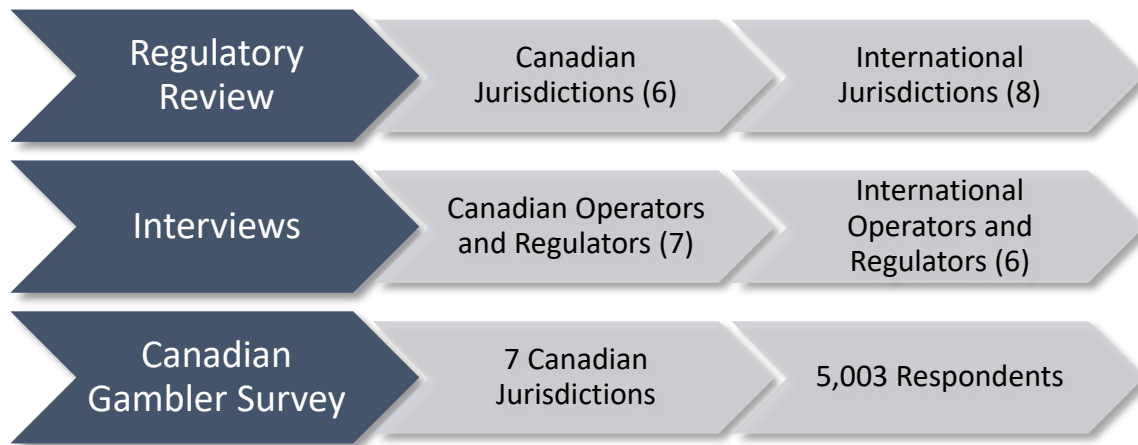
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## Background and Introduction

This study sought to establish a baseline of knowledge relevant to the development and implementation of responsible single-event sports betting across Canada. The intention of the study is to help support the development of evidence-informed strategies and best-practices for responsible gambling that are most relevant to single-event sports betting in Canada—particularly in the online space. The project scope includes a high level assessment of regulatory and operational issues relating to the legalization of single-event sports betting in Canada and an extensive examination of player support needs and expectations. This study *does not* closely examine other important issues such as game design and features.

Figure 1: Study Approach and Data Sources



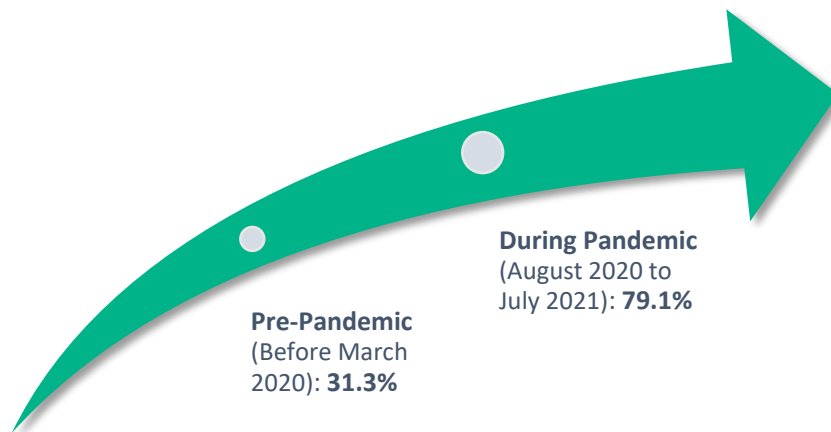
This report details a study that was conducted just before Bill C-218 was approved by the Canadian Senate and received royal ascent, thus legalizing single-event sports betting across the country. At the time, single-event sports betting markets, game types and betting options were not clearly established and were therefore beyond the scope of this study. This research reflects the prospects for responsible single-event sports betting in Canada from the perspectives of players, operators and regulators and is intended as a baseline assessment of this emerging area to inform future policy, program and research development. *The positions and recommendations presented in this report are those solely of its authors at the Responsible Gambling Council (RGC).*



## Online Gambling Across Canada

Online gambling across Canada has substantially increased since COVID-19 began having significant impacts on daily life and access to land-based gambling venues (see Figure 2). While instant lottery (35%) and lottery and raffle draws (68.1%) remain the most popular forms of gambling in the country, various forms of sports betting (e.g., parlay betting, sports pool betting, virtual sports, esports) featured engagement from 5-15% of past-year gamblers—betting on unlicensed single-event sports books was reported at just under 10%.

**Figure 2: Changes in Online Gambling Across Canada Prior to and During COVID-19**



## Responsible Gambling Across Canada

The regulatory, operational and third-party measures established across Canada to ensure consumer safety and promote responsible gambling have had profound effects on player awareness, knowledge, attitudes and behaviours. They have helped prevent and mitigate problem gambling risk and harm.

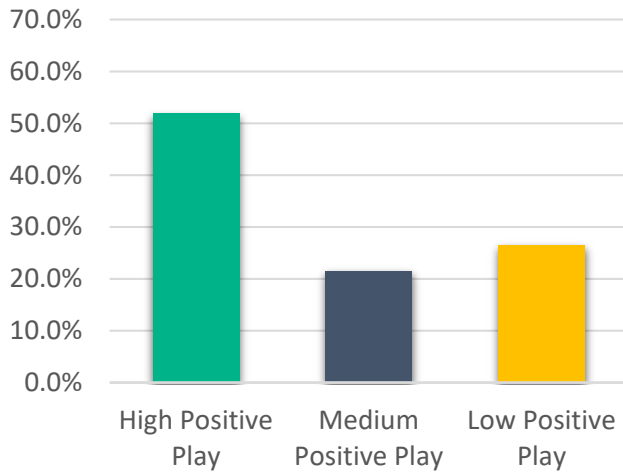
Across Canada, every gaming jurisdiction has written into their governing statutes provisions for the protection of players. In most cases, player protection emphasizes the need to bar minors from participating in gambling services and products. These provisions primarily focused on responsible marketing and advertising; accurate and clear information on how games work; limit setting options for time and money spent; and other similar guidance intended to ensure players are able to make informed gambling decisions and minors are protected. In addition, all operators across the country contribute a portion of their revenue to fund prevention programming, research and treatment services. Some relevant initiatives present in Canadian gaming jurisdictions designed to promote responsible gambling include the *British Columbia Responsible and Problem Gambling Program*, the *Problem Gambling Resources Network* in Alberta, the *Know My Gambling Limit* campaign in Manitoba, the *PlaySmart* program in Ontario, the *Espacejeux* program in Quebec, and the *Playwise* program in Atlantic Canada, among others.

For the most part, Canadian gamblers understand that chasing gambling losses and thinking they can control or predict gambling outcomes are not beliefs worth endorsing. Similarly, over 70% of Canadian players reported that balancing gambling with other leisure activities, as well as setting limits on time and

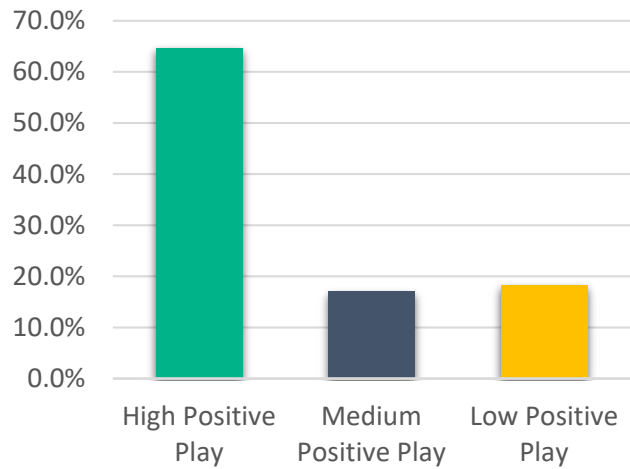


money, were important habits. However, only about 50% indicated that they would stop gambling if feeling intoxicated. When examining differences between key age groups, young adults (18-24 years) were significantly more likely to endorse false gambling beliefs, such as expecting random outcomes to occur if they have not for a while (41.9%), gambling to make back losses (31.1%), and believing certain patterns of betting have better chances of winning (50%).

**Figure 3: Positive Play Beliefs**



**Figure 4: Positive Play Behaviours**



The *Positive Play Scale* provides a valid and reliable means of assessing responsible gambling attitudes pertaining to personal responsibility, gambling literacy, honesty and control, as well as limit setting.<sup>1</sup> Overall, the majority of Canadian gamblers (73.5%) reflected *high* or *medium Positive Play beliefs* (see Figure 3). Similarly, the majority of Canadian gamblers reflected strong *Positive Play behaviours* (approximately 80% being screened with *high* or *medium Positive Play behaviours*; see Figure 4).



## Single-Event Sports Betting in Canada

### Regulatory Perspectives

Based upon the regulatory review and interviews with key regulatory informants, Canadian consumer safety measures designed specifically for the single-event sports betting will most likely build on the governance and program structures currently in place. Several Canadian regulators with online gambling markets noted their intention to leverage existing iGaming standards for single-event sports betting while also actively developing insights for future regulatory developments. Others indicated the need to set strong marketing and advertising standards that avoid targeting minors and ensure eligible players are not misled concerning their gambling expectations.

International jurisdictions have provided some insights into how single-event sports betting may be regulated and managed with an emphasis on consumer safety. In Victoria, Australia, for instance, restrictions are placed on the promotion of odds and commercials relating to betting and gambling which are broadcast during live sporting events, while in Italy all gambling advertisement is banned entirely. In the United Kingdom, a government review panel is expected to recommend sweeping reforms to sports-betting advertising, including stripping sponsorship from jerseys and venues, among others. Some of the informants cited the value of player monitoring requirements (i.e., the provision of standardized algorithmic behavioural risk data), centralized and universal self-exclusion schemes, banking blocks, as well as a variety of limit setting features and requirements (e.g., deposit limits, betting limits, etc.). International regulatory informants also argued that establishing a strong and sensible regulatory baseline early on will ensure a more sustainable marketplace and operator compliance, as then there would be no assumption of revenue loss on the part of licensees from meeting high standards from the start.

### Operator Perspectives

Across Canada, operator informants identified several key responsible gambling issues that are anticipated to impact single-event sports betting expansion. Marketing and advertising for sports betting were noted as key areas for responsible gambling input that operators hoped regulators would take the lead on. One of the biggest challenges highlighted by Canadian operators included the lack of risk and harm awareness among young adults (e.g., addressing betting impulsivity, illusions of control, and sports betting obsession); the need to develop responsible gambling programming that facilitates sustainable play through education and messaging; and various tools and resources (e.g., limit setting and betting maximums, options to lock out accounts and take breaks, player and operator analytics, self-assessment quizzes, etc.). The imperative expressed by Canadian operators emphasized the need to actively engage younger populations in responsible gambling; to encourage regulators to set strict advertising standards; and to restrict betting on sports involving minors.

## Gambler Perspectives

Overall, surveyed Canadians were strongly in favour of legalization (39%), compared to those who stood opposed to this statutory shift (16.4%). However, it was also noteworthy that most respondents did not hold a preference either way (44.6%). Player preferences for regulatory measures relating to consumer protection were on the whole well supported across the board. The measures receiving the strongest support focused on protecting under-age gamblers; operator accreditation and staff training requirements; truthfulness and transparency in marketing and advertisements; and direct operator financial support for gambling harm prevention and education initiatives and treatment services.

Preferences among Canadian gamblers for responsible gambling initiatives adopted by single-event sports betting operators commanded strong support (over 60%) in all instances. The most popular initiatives supported by Canadians included clear information on how betting works as well as resources and tools for keeping track of money spent. Personalized messaging and betting history reports; easy access to self-exclusion programs and time-out options; and the use of behavioural algorithms to detect and prevent at-risk players from experiencing harms were also well supported.

Looking forward to the legalization of single-event sports betting, approximately half of all Canadian gamblers (47.1%) indicated that they intend to place a bet on a sporting event, one way or another. Nearly one-third (27.3%) stated that they would place their bets online, preferring to play either *online only* or *both online and in-person*, but would *only do so on licensed platforms*.

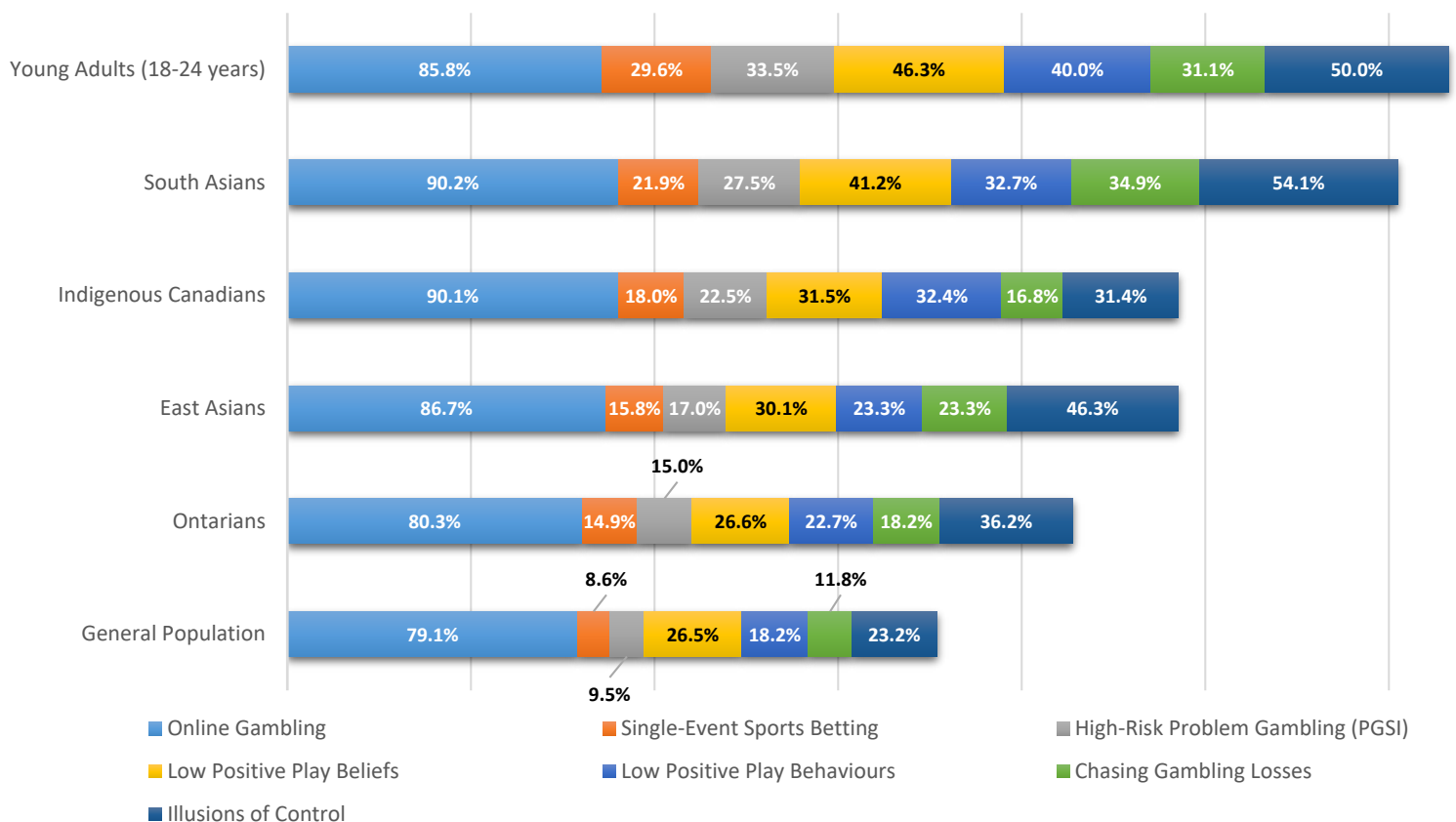




## Opportunities for Responsible Gambling Development

Across Canada, **five key priority populations** demonstrated the greatest engagement as well as the most substantial gambling risks, comorbidities and responsible gambling needs, in relation to single-event sports betting (see Figure 5). Based upon these findings as well as information synthesized from the regulatory review, and interviews with Canadian and international regulators and operators, several opportunities for responsible gambling strategic and program development emerged.

**Figure 5: Assessment of Responsible Gambling Needs Among Priority Populations Across Canada**



### Engage priority populations and communities with responsible gambling initiatives

As indicated above, there are several distinct priority populations across Canada that are anticipated to experience the greatest risk and have the greatest need for targeted responsible gambling initiatives. The key issues for each of these population groups cross-over to a significant degree. For instance, young adults (18-24 years), Indigenous Canadians (First Nations, Metis, and Inuit), East Asians (Chinese, Japanese, Korean, Taiwanese, etc.), South Asians (Afghan, East Indian, Pakistani, Sri Lankan, etc.), as well as Ontarian gamblers experienced greater prevalence of mental health concerns (e.g., elevated levels of

anxiety and depression), intoxicated gambling, negative financial impacts due to COVID-19, and low Positive Play beliefs and behaviours.<sup>1</sup> Among these key populations, **young adults (males in particular) represent the highest priority**, given the extent of the gambling risks reflected by this group, the greater scale of online gambling and sports betting engagement, and the clear deficits in responsible gambling awareness, knowledge and behaviours.

For any of the key priority populations identified, individually tailored strategies for messaging and program development are highly recommended. Studies have shown that young adults and ethno-cultural groups, in particular, hold different belief systems that impact their preferences for receiving health promotional information and using resources, compared to general gambling populations.<sup>2-5</sup>

### Encourage Canadian regulators to establish strong marketing and advertising standards

Canadian regulators will benefit from establishing balanced and evidence-informed marketing and advertising regulations and standards for single-event sports betting, which are currently in their formative stages. Each reviewed gambling jurisdiction in Canada also appears to be following its own path to regulatory development. With this said, Canadian gamblers supported regulations that ensure operators do not target minors through marketing and advertisements (79.2%); all licensed operators are accredited and certified according to responsible gambling best practice standards (77.5%); advertisements do not misrepresent the likelihood of winning or the impact of skill on game outcomes (76.3%); advertisements do not promote gambling and substance use (75.3%); and marketing and advertisements are restricted before and during live sporting events (57.5%). These player perspectives provide validation of credible and appropriate responsible gambling initiatives and may predict future policy and program buy-in and uptake—therefore increasing their potential cost-effectiveness. In addition, many these regulatory measures supported by Canadian gamblers have seen adoption internationally.<sup>6-9</sup>

### Develop an effective suite of responsible gambling tools and resources

Preventing and minimizing gambling risks and harms is a complex and challenging task and cannot be achieved through singular, stand alone initiatives. Generally, the most effective approaches involve strategically coordinated suites of initiatives, tools and resources to create persistent and compounding impacts on player awareness, knowledge and responsible gambling behaviours.

There are several foundational initiatives, tools and resources that are recommended as part of a robust responsible gambling strategy—many of which were specifically supported by operator and regulatory informants as well as players and have existing precedence in several Canadian gaming jurisdictions. Limit setting tools for managing deposits, betting and frequency of gambling, for instance, are commonly built into operator account management systems in Canada and internationally.<sup>10,11</sup> Best practice for deposit

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<sup>1</sup> The Positive Play Scale (PPS) provides a valid and reliable means of assessing responsible gambling attitudes pertaining to personal responsibility, gambling literacy, honesty and control, as well as limit setting



limits typically involve mandatory requirements to set limits, but having players voluntarily choose a value threshold within the scope of a maximum limit (typically refreshed on a weekly or monthly basis).<sup>12,13</sup> In other instances, the universal loss limit tool adopted by Norsk Tipping in Norway has shown strong positive impacts on responsible online and land-based play through extensive evaluations, but has yet to be piloted in other major gaming jurisdictions.<sup>11,14,15</sup> Limit setting tools also benefit from integrated messaging, such as pop-up reminders, ideally before limits are reached, and have been shown to help players effectively manage spending.<sup>16</sup> Other examples of responsible gambling resources that can be adapted for online platforms include quizzes for players to self-assess their gambling risk as well as *Positive Play* beliefs and behaviours. Dedicated responsible gambling web-pages detailing key concepts, tips for safely managing play, easily accessible voluntary self-exclusion and time-out options, referral information for third-party player support and treatment, and tailored player account history reports detailing expenditures, wagers, frequency of betting, wins, and losses also merit adoption consideration. More sophisticated systems, leveraging effective gambling risk algorithms and using account-based behavioural data could also be used to enhance responsible gambling promotion through tailored and customized messaging (e.g., through targeted and segmented messaging on online banners and pop-up messages).<sup>17</sup> Leveraging behavioural data may also enable operators to target players who are excelling at *Positive Play* and sustainable gambling (e.g., gamblers who successfully adhere to reasonable time and money limits) with positive reinforcement messaging and non-monetary incentives.



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