



11 November 2022

Committee Secretary
House of Representatives Standing Committee on Social Policy and Legal Affairs
PO Box 6021
Parliament House
Canberra ACT 2600
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Dear Committee Secretary

Inquiry into online gambling and its impacts on those experiencing gambling harm

The Australian Banking Association (**ABA**) supports effective consumer protections aimed at reducing online gambling harm. It is well-understood that individuals who gamble online have been found to experience higher rates of gambling-related harm¹.

Banking industry consumer protections

ABA member banks have introduced mechanisms to limit the harm that can arise from the use of credit cards for online gambling. Most banks have developed technology solutions, including tools to track and cap spending and enable customer directed blocks. Banks also have trained customer support teams and provide referrals to support services to customers that are experiencing gambling harm.

Other assistance measures vary across different banks, but can include:

- Immediate gambling blocks able to be activated via banking apps and contact centres.
- Delays on the removal of blocks.
- Credit risk strategies which factor in a customer's historic gambling activities.
- Gambling transactions declined when a customer reaches a certain percentage of their credit limit.
- Real-time alerts when customers make high-cost credit card transactions including gambling.
- Low or no-interest credit card products which do not allow gambling transactions.

To better understand the use of credit for online gambling, the ABA undertook a consultation in 2019 to seek community views. The three-month consultation included a YouGov representative sample survey as well as a short-form survey on the ABA website. Stakeholders raised a range of views for and against restricting the use of credit for online gambling². However, an overwhelming majority of respondents supported further restrictions. A copy of the [report](#) is enclosed for the Committee's consideration.

¹ National Consumer Protection Framework for Online Wagering: Baseline Study Report (2019)

² The *Competition and Consumer Act 2010* prohibits businesses and their industry associations from reaching agreements or understandings about matters on which they compete, such as in relation to prices for products or services, the design features of those products and services, the ability to offer a product or service, or arrangements for certain customers.



Australian Banking
Association

Regulatory and legislative settings

In Australia, the *Interactive Gambling Act 2001* (the Act) sets the rules for companies that offer or advertise interactive gambling services. It covers gambling that takes place online (through a website or application) or via a telephone. In 2017, the Federal Government made amendments to the Act that prevent gambling operators from offering or enabling lines of credit to their customers.

The Act could be amended to prevent registered online gambling companies from accepting payment by credit. This would establish a consistent policy approach to the use of credit for gambling across all gambling services including in venues, on racetracks and online. The amendment could be phased in to allow people time to transfer their online gambling accounts to a debit card.

This solution has the additional advantage of avoiding any possible impact on charitable lotteries and newsagents. If a financial institution bans using credit cards for gambling, it must introduce a block on payments to the merchant category code for gambling (MCC 7995 – betting, including lottery tickets, casino chips, off-track betting, and wagers at racetracks).

The ABA consultation in 2019 identified that this may affect the fundraising activities of some registered charities that sell lottery tickets, for example, the Mater Hospital, Kids Helpline and Surf Life Saving Australia. It may also potentially affect some newsagent operators who derive a significant share of income from lotto tickets. These unintended consequences would not arise in the case of a legislative solution similar to the one enacted in the United Kingdom in April 2020³.

If you require further information, please contact Director, Government Relations Andrew Hallam

Yours sincerely

The Hon Anna Bligh, AC
Chief Executive Officer

About the ABA

The Australian Banking Association advocates for a strong, competitive and innovative banking industry that delivers excellent and equitable outcomes for customers. We promote and encourage policies that improve banking services for all Australians, through advocacy, research, policy expertise and thought leadership.

³ <https://www.gamblingcommission.gov.uk/news/article/gambling-on-credit-cards-to-be-banned-from-april-2020>