

UNHOOKED

IN THE FILM VERSION OF CASINO ROYALE, DANIEL Craig's James Bond takes home a stunning £66 million (including an Aston Martin) after winning at cards – leading some to suggest he should switch his favored game from roulette to poker. In the words of his creator Ian Fleming, “Bond has always been a gambler.”

But the picture of gambling in culture is not always so glamorous. In *The Gambler*, notorious gambling addict Fyodor Dostoyevsky has his main character paint a bleak and troubling picture: “At that point I ought to have gone away, but a strange sensation rose up in me, a sort of defiance of fate, a desire to challenge it, to put out my tongue at it. I laid down the largest stake allowed – four thousand gulden – and lost it. Then, getting hot, I pulled out all I had left, staked it on the same number, and lost again, after which I walked away from the table as though I were stunned. I could not even grasp what had happened to me.”

What is the place for gambling in people's lives and in society? This question is more important than ever, as gambling becomes more accessible online, big markets like the US open up to regulated gambling, and politicians and regulators look to crack down on the harm that gambling can cause.

Many who find the industry challenging see a fairly simple solution: stop selling the products. But many people *do* want to gamble and enjoy it responsibly. The opportunity is for the major players in the industry to understand where the real challenges lie and consider how they can respond.

William Hill sees its future dependent on healthy, safe, gambling. The company of 16,000 employees, with international operations in betting shops, sports books and online gambling, has set out a long-term ambition to ensure that nobody is harmed by gambling.

When it launched its new sustainability strategy earlier this year, CEO Philip Bowcock made the

PHILIP BOWCOCK, CEO of UK bookmaker William Hill, discusses the firm's strategy to combat gambling-related harm and addiction. Brunswick's **ALASTAIR MORTON** and **MEGHAN SHEEHAN** report.

company's point of view clear: “Gambling is meant to be a leisure activity, not a source of human misery.” Brunswick recently spoke with Mr. Bowcock about gambling-related harm and what the company's new strategy intends to deliver for its customers and the societies where it operates. “We can be, and we want to be, part of the solution,” Mr. Bowcock says.

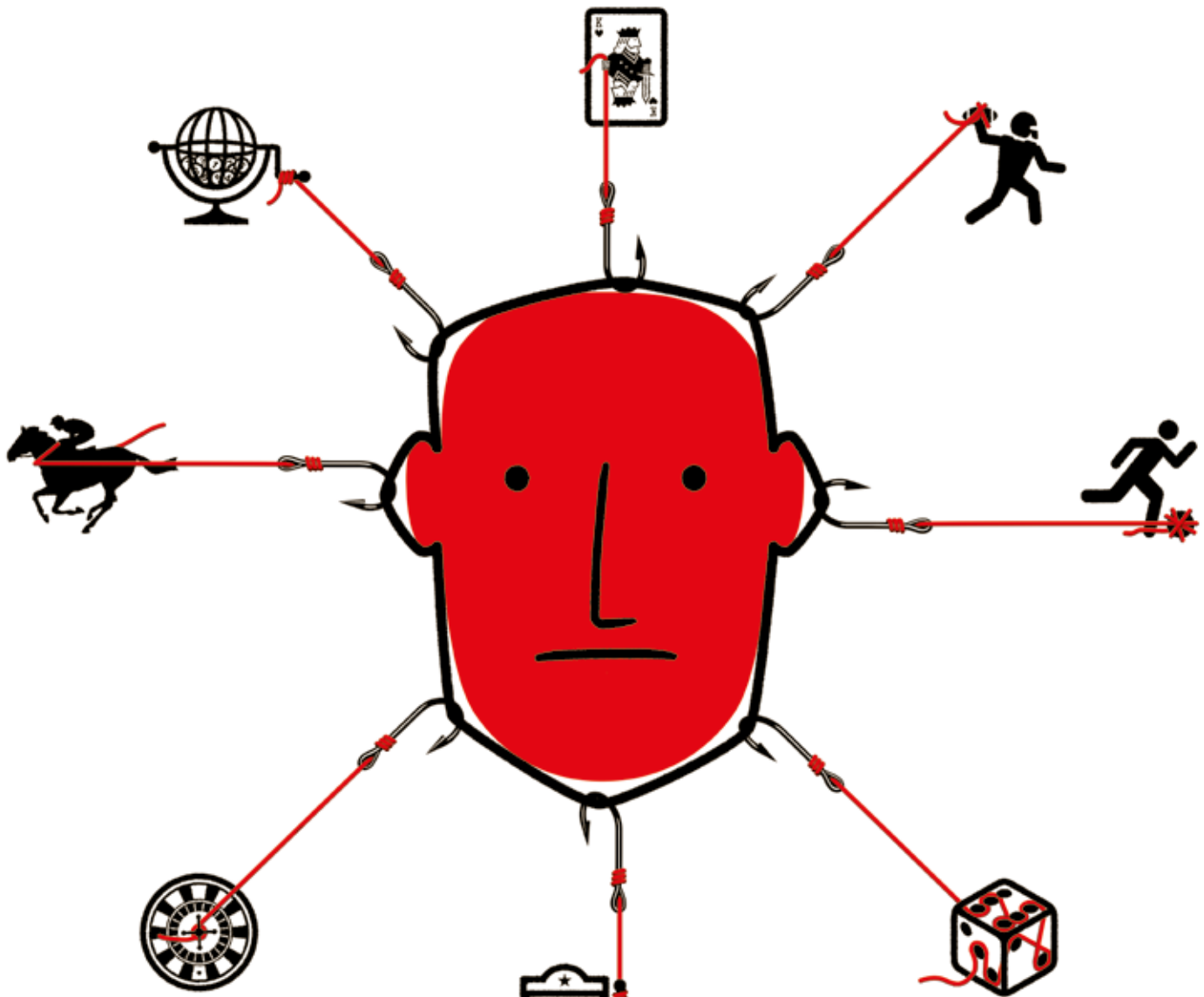
Problem gambling has become a front-page issue in the UK. How do you see the challenge?

People are very concerned about problem gambling, and they're right to be. Look, gambling can be fun. That £1 accumulator that ends up with the family sitting around the television on a Sunday afternoon, wondering if that final fifth win is going to come in – that can be great fun. But when it's 2 o'clock in the morning and someone is playing online casino chasing their losses in a darkened room, that's not fun.

For too long, we have not taken seriously enough the challenge of problem gambling. We've talked about the small proportion of people who are affected by harm or addiction, and we've focused on the responsibility that each of our customers has to keep themselves safe.

We chose to take a fresh look at the challenge and how we respond, and we have to face facts: Too many people are affected. In the UK the number is frequently put at 430,000 people who, at any given moment, have a real problem with gambling. In the US, some have suggested that 6 million people are addicted to gambling. And we know there are many more who are at risk of experiencing harm.

It doesn't start and stop with financial harm. Very often multiple factors compound the vulnerability that people face. Of those people who have experienced problems with gambling, three in five have suffered depression and 61 percent have missed work to gamble. It also has a serious impact on friends and family – in one study, 20 percent of online divorce petitions cited gambling as a cause.



We acknowledge that every type of gambling product has the potential to cause harm to our customers. But we don't want people to experience harm – we want to be a part of helping that to stop. Society expects it. Customers need it. And our colleagues actually want to do something about it as well.

How does your new strategy address all that?

We've been on a journey to improve the protections we have in place, introducing new and improved policies, technology and increased levels of resourcing, but we haven't faced the issues bravely enough. We're driving the new strategy behind an ambition that nobody is harmed by gambling. We know that ambition is almost impossible, but we also know that many – most – people can and do gamble without experiencing harm.

That's why the strategy we've developed focuses on crucial areas through which we can tackle problem gambling and protect those who are at risk of harm. It's clear that we need to look not just at problem gambling but also focus on customers who are at risk – and support them before gambling becomes a



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problem. That means getting better at capturing and using data to identify those risky behaviors and intervene before it becomes a problem.

Our strategy takes this even more broadly. Anyone can become at risk with their gambling. But today, no one has defined what really good, in-control gambling behavior looks like. So we're going to work hard on how we design our products, how we advertise them and how we interact with customers in ways that help all our customers stay in control.

There are, without a doubt, customers who should not be gambling, full stop. And we need to be there to help them. I'd also like to see us get to a place where any customer is safer with us than they are elsewhere. That means that this strategy is not a compliance exercise but goes right to how we deliver our business.

What is it going to take to achieve such a deep change in the business?

Central to getting this right are our 16,000 colleagues. I'm determined that they understand that their instinct to care for our customers is the right one. One of our corporate values is "give a damn" and I want

ILLUSTRATION: TOMASZ WALENTA

all of our colleagues to live up to that by making decisions that are to the long-term benefit of our customers. This is more than a strategy – it’s a culture that we are going to strengthen over the years ahead.

For me, that starts with making sure we all understand the challenge, and what it will take to make a difference. We’ve invited people in who have been through problem gambling – to meet the leadership, to spend time with colleagues and also to help design new training we’re putting in place. And next year we’ll start a rolling six-month program where we’ll send people across the business to work with organizations devoted to helping problem gamblers. That way we can really bring new insight back about what it will take.

We also know that what we’re trying to do here can only be done in partnership. In November 2018, we brought together people who are instrumental in tackling gambling-related harm. That included industry experts like academics and researchers, politicians and regulators, other gambling companies. But we also wanted to bring in wider perspectives: people who’ve had direct experience of gambling-related harm, and their families. Plus a whole range of people with adjacent expertise that extends beyond gambling – behavioral scientists and psychiatrists, tech experts from Google, organizations like the big football clubs in the UK who shape culture and can influence behaviors, and experts in those other areas that gambling can impact like relationships and financial health. This is only a first step in forging those relationships and partnerships, but I can tell you there was real energy in the room, and lots of ideas about how we can do this differently.

We’re setting up an Innovation Fund so that we can pilot new ideas that come through this sort of engagement. Our commitment is to test and learn. We know that there are no silver-bullet solutions. We won’t get everything right, but I want to make sure people at William Hill know they have permission to try new things. As we work, we will share what we learn with everyone else who is working on this challenge.

Initiatives like these are good for society, but do they come at the expense of your shareholders?

This has become a critical issue for our industry, and I firmly believe that a financially successful and sustainable future for William Hill depends on getting our response right. We know that there will be short-term commercial impacts – but our sustainability relies on customers who enjoy gambling and stay gambling with us for the long term. When our policies have proven to be insufficient, that has led to



THE CHALLENGE

The numbers reveal that for many people in the UK, gambling isn’t harmless fun.

There are **430,000** PROBLEM GAMBLERS in the UK, and an additional 2 million are at risk.

Problem gambling takes a toll on personal health and relationships – 20 percent of online divorce petitions cite gambling as a cause. It damages finances and careers. And its toxic effects are felt by friends, families and colleagues: one study estimated that six people are affected by every problem gambler.

THE RESPONSE

William Hill, one of the UK’s largest bookmakers, has made nine separate commitments to realize its goal of “nobody harmed by gambling.” Three focus on immediate action: test mandatory tools such as limits for at-risk gamblers; give better data to customers; and improve training. Other initiatives are focused on longer-term, industry-wide changes.

William Hill makes **130,000** responsible gambling INTERVENTIONS annually.

finances and remediation – for us and indeed other operators. We want to keep our customers safe, to show ourselves to be ahead of regulation, and ultimately leading the way on what’s possible.

This is also about the opportunity we have as a company to differentiate. We have just set out our new strategy through which we hope to double our profits and establish ourselves as a US market leader. The UK is one of the best regulated gambling markets in the world. We want to take what we’re learning in the UK to the other markets around the world where we operate.

To be the trusted company and brand that we want to be, we must show that we’re stepping up to the plate on this issue.

You talk about this being a long journey. Is that just kicking the can down the road?

Some things will happen very quickly in our business. We’ve already implemented much more stringent rules on our customers proving their source of funds, for example, and we’re working to improve the algorithms we use to spot signs of risky behaviors.

But the long-term ambition serves a really important purpose. There is no single issue to solve and no quick fix for doing it. We want to drive real change in our business – there will always be new fronts to tackle, and the ambition is meant to give us a long-term place to aim.

Also, the ambition deliberately goes beyond what we can achieve alone as a business. The products we offer touch two-thirds of the UK market, which gives us an incredible opportunity to act alone. But there are elements of this where we will need to act with others in partnership. We want to bring others with us on this, and I think having the public ambition is a part of that. And even beyond that we have a public profile that we can use to shine a light on the issue and be a voice for what needs to change.

This isn’t going to be a smooth ride. There will be bumps along the road. We will be criticized and some of that criticism will be fair. But my father always said to me that once you acknowledge a problem, you start to do something about it – and that is more than half the battle, because you are actually on that journey. We believe that it’s only by setting out with a bold ambition that we’ll start to see that change we want, and to have a positive impact on people’s lives. ♦

ALASTAIR MORTON, a Partner, and MEGHAN SHEEHAN, a Director, are members of Brunswick’s Business & Society group, helping businesses demonstrate social value alongside financial value. Both are based in London.