

Warning labels for online gambling 'ineffective and too difficult to find' new study concludes

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The manner that UK online gambling operators present information about the risk of play, required by the industry regulator, is 'ineffective

and too difficult to find' researchers from the University of Warwick and CQUniversity in Australia have concluded.

Their new study of 26 operators' games consistently showed that warning labels containing [information](#) about the riskiness of games were presented on separate screens, dispersed randomly in large volumes of text, written in smaller fonts, and often used impenetrable acronyms.

Information was also presented in a format previously shown to be misunderstood by 50% of gamblers, and no games used a demonstrably better alternative format that is explicitly allowed by the Gambling Commission.

The study, "Nudge versus sludge in [gambling](#) warning labels," has been provisionally accepted in the journal *Behavioral Science and Policy* and is available as a preprint.

The researchers surveyed how gambling operators choose to inform their customers about the risk of playing on games of online roulette. The analysis included 363 roulette games available on websites from 26 major gambling operators.

Information on risk could only be found only by opening at least one other screen, requiring an average of 1.3 mouse clicks from the main roulette table. This information was further embedded on screens full of text (average of 2,078 words).

While this information was not positioned consistently on the screen, it was found to be consistently displayed in the smallest font size on the screen (99.5%) and in the least prominent font boldness (99.7%). Finally, in almost 1 out of 5 instances (18.8%) the information was provided via an acronym ("RTP is 97.2973"), without further explanation of what this means.

Dr. Lukasz Walasek of the University of Warwick Department of Psychology, who was involved in the project, said: "It is hard to imagine that this information could be less 'easily available' than we observed. Even though our objective was to document the regulator's mandated risk information, we found it rather hard to find these details."

The findings further revealed that 357 games (98.3%) used the less optimal of two formats permitted by the Gambling Commission: the return-to-player format. This format places prominence on a gambler's average winnings (e.g. "this game has an average percentage payout of 90%") and is misunderstood by 50% of online gamblers. None of the online roulette games used the alternative house-edge format (e.g. "this game keeps 10% of all money bet on average"), which is known to be better understood.

Previous research has shown that only 45.6% of UK online gamblers can identify the correct interpretation of return-to-player information out of four potential alternatives ("For every £100 bet on this [game](#) about £90 is paid out in prizes"). By comparison, 66.5% of online gamblers provided the same correct interpretation of house-edge information. The UK's regulator, The Gambling Commission, gives gambling operators the freedom to choose between the return-to-player and house-edge formats.

Dr. Philip Newall of CQUniversity's Experimental Gambling Research Laboratory, who was also involved in the project, said, "Stronger regulations on the prominent provision of understandable risk information are needed to better inform online gamblers as a part of the Government's upcoming review of online gambling."

More information: Philip Warren Stirling Newall et al. Nudge versus sludge in gambling warning labels, *Behavioral Science and Policy* (2020). [DOI: 10.31234/osf.io/gks2h](https://doi.org/10.31234/osf.io/gks2h)

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