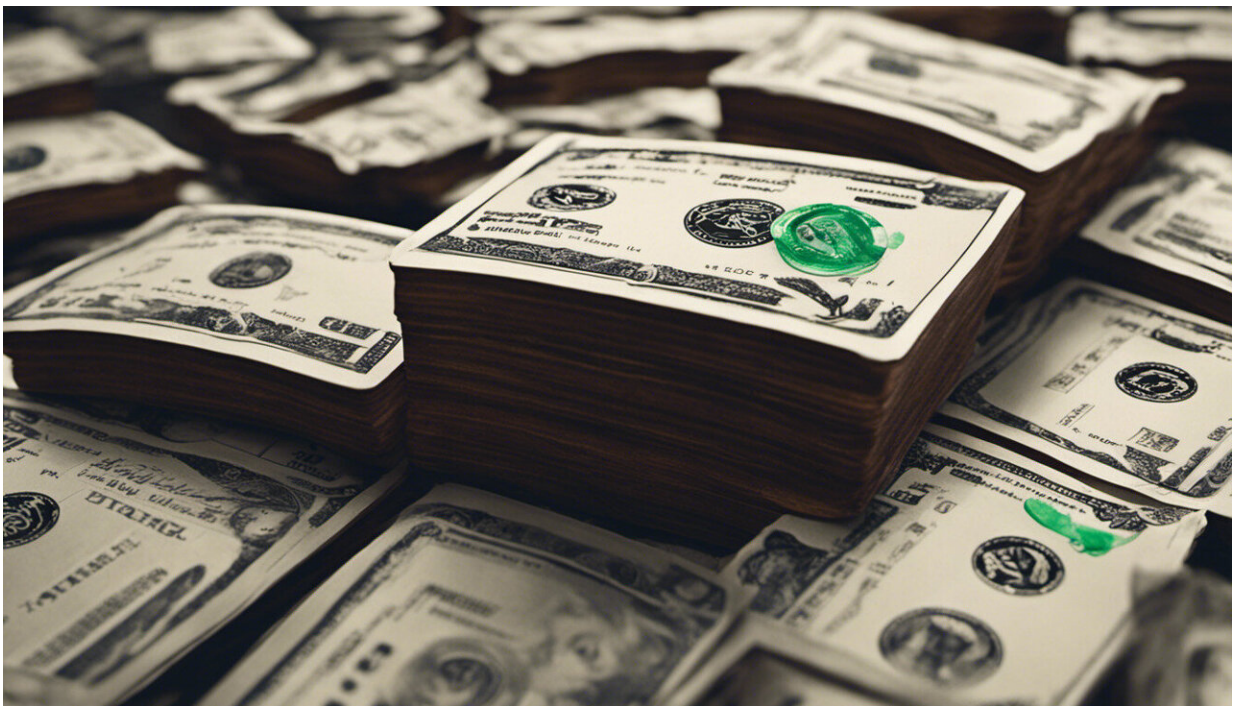


No, gamblers don't 'need' cash. Researcher says study isn't an argument against cashless gaming reform

March 21 2023, by Sally Gainsbury



Credit: AI-generated image ([disclaimer](#))

The Perottet government's promise to introduce mandatory "cashless gambling" in New South Wales by 2028—something for which anti-gambling activists and public-health experts have long lobbied—has elicited a strong response from those with an interest in maintaining the

revenue that flows from the [86,650 poker machines](#) installed in NSW clubs and hotels.

There are claims and counterclaims. My own research on [digital gambling payment methods](#) has even been [cited in press releases](#) in support of the status quo, on the grounds that "physical notes and coins are the most powerful harm-minimization tool available to gamblers."

While it's nice for me and my colleague [Alex Blaszczynski](#) to be heralded as Australia's leading anti-gambling researchers, our research absolutely does not "state very clearly that cash has big advantages for gamblers."

Our research findings on [digital gambling payments methods](#) are much more nuanced than this.

What our research shows

A major factor driving problem gambling is "positivity bias"—the tendency of gamblers to forget their losses but remember their wins.

Electronic payments can lead to greater spending than when a person hands over cash, due to reduced friction (increased ease), reduced awareness of spending, and less "pain of paying."

However, [research also shows](#) electronic gaming machines have the highest association with gambling problems. So cash on its own is no solution to problem gambling.

There is nothing in our research findings that contradicts the rationale for cashless gambling systems. These should more accurately be called account-based gambling systems. Their key feature is not removing cash but requiring gamblers to do their gambling through an identified

account.

Such a system could greatly reduce gambling harms if designed well, with mandatory harm-reduction features built in. Anything that enables a gambler to more accurately track their gambling spend should help them spend less. As our research concluded:

"In contrast to [cash payments](#), digital transactions contain features that can be effectively used to advantage as a means to prevent or detect excessive expenditure among individuals. As opposed to cash, electronic transactions can be readily tracked, and expenditure patterns made available through player activity statements."

Greater losses, worse estimates

In more recent research, [published in 2022](#), my colleagues and I sought to quantify the positivity bias in Australian gamblers.

We sent a survey to 40,000 customers of a large Australian online wagering operator. About 500 responded. We then compared their estimates of wins/losses with their actual outcomes (provided by the company).

Just 4% reported their results with any accuracy; 65% underestimated their losses. Significantly, the more they lost, the more they tended to underestimate how much they lost.

Cash-based gambling is likely even harder for individuals to track accurately. We would expect pokies players be even less aware of how much they lose, given the current design of electronic gaming machines and venues does little to discourage problem gambling.

Four key harm-minimization features

The account-based cashless gambling payment system promised by the Perrottet government would involve an app to verify the gambler's identity and a digital wallet into which they transfer funds from their bank account.

This is meant to achieve two things: reduce the potential for money laundering, and reduce problem gambling.

To do the latter will require four key features.

First, it should link with a self-exclusion system and allow the user to set their own binding limits on how much they want to spend.

Second, it must enhance awareness of their gambling spend by providing accurate statements clearly summarizing wins and losses. These should be supplemented with customized information showing the user how their gambling compares to others and what actions are recommended for them.

Third, it should use algorithms to identify potentially harmful play such as chasing losses or escalating betting (with safeguards against gambling companies accessing and using this data) and notify individuals and venues to enable appropriate intervention.

Fourth, it must be designed to prevent easy access to funds. For example, deposits into a digital wallet should not be allowed from the gaming floor. There could be time limits or delays between deposits on the same day. Restrictions will also be needed on the sources of funds deposited into gambling wallets.

It should be easier to withdraw funds than to make deposits, and

customers should be encouraged to regularly withdraw funds from their gambling wallets, potentially even automatically when they win.

Trials should not be a delaying tactic

Trials will be needed to ensure account-based gambling payment systems do not have unintended negative consequences. There are important issues to test and consider, including which interventions and system design are most effective to reduce harm, but this need should not be used as a delaying tactic for what is an important and long-overdue reform.

About 1% of Australian adults experience severe gambling problems. About 7% of them experience moderate harm. For every person with a gambling problem, an estimated six to ten people are affected. This is a large proportion of the community.

The aim of account-based digital gambling payment systems is to reduce gambling harms by putting the customer in charge of their [gambling](#). The focus is on helping customers monitor and manage their own play.

They will not prevent [problem gambling](#). But they can help reduce the harm done.

This article is republished from [The Conversation](#) under a Creative Commons license. Read the [original article](#).

Provided by The Conversation

Citation: No, gamblers don't 'need' cash. Researcher says study isn't an argument against cashless gaming reform (2023, March 21) retrieved 13 May 2024 from <https://medicalxpress.com/news/2023-03-gamblers-dont-cash-isnt-argument.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.