

# Cashless gambling

## Consumer perspectives on the risks and benefits of digital payment systems for electronic gaming machines

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# The shift from cash to cashless gambling in venues

## In-venue gambling is still mainly cash-based

- Existing cashless options (e.g., TITO, card-based cashless) still typically involve use of cash, and uptake is relatively low

## Cash is thought to help gamblers stay in control of their spending

- Tangible, denominational structure
- Natural breaks in play

## Key drivers of the shift to cashless gambling

- Broader societal trends in retail payments
- Money laundering through gaming venues
- Potential to leverage digital technologies for enhanced gambling harm minimisation



# How do cashless payments impact consumer spending in general?

## Meta-analytic evidence supports a 'cashless premium'

(Swanton et al., manuscript in preparation)

- Cashless payments are psychologically less salient than cash
- The lower the salience, the lower the pain of parting with money, the greater the propensity to spend
- Despite increasing availability and familiarity with cashless payments, the cashless premium continues to exist (at least, for now)

## What does this mean for cashless gambling?

- People may experience greater difficulty controlling their spending when using cashless payments
- Cashless gaming systems should be designed with integrated consumer protection mechanisms to mitigate this risk



# Investigating consumer perspectives on the risks and benefits of cashless gambling

## Aim

- To explore consumers' perspectives regarding the potential risks and benefits associated with cashless payments on EGMs in land-based gaming venues

## Methods

- Online focus group sessions with 26 Australian adults (38% female, aged 24-76 years) who play EGMs regularly
- Identified core themes using Scheier's (2014) eight-step method for content analysis



# Perceived benefits of cashless gambling

Provision of consumer protection mechanisms

Preventing money laundering

Convenience

Security

Reducing disease transmission

*“I see this proposed change as a step in the right direction if it's **linked into a Self-Exclusion Scheme**. And, obviously, part of that would be **limiting the amount of funds** that you can put on the card. So for me it's a massive advantage over cash because cash is unlimited. ... So I see this as a step in the right direction and it should be **linked to your identity**, I believe.”*

*“having a card helps facilitate that transparency on **how much I've actually put into a machine** because in the past, I wouldn't have a clue.”*

*“I reckon an app, there'd probably be some sort of blocker where **if you did win \$1,000, you could lock it away** and you wouldn't be able to access it for 48 hours”*

# Perceived risks and concerns about cashless gambling

Inappropriateness of approach to addressing the problem

Overspending

Security and privacy concerns

Inconvenience

Circumvention

Inaccessibility

Migration to alternate forms

*“I would prefer to be in control of myself and say, ‘I’m not a problem gambler and I can manage my money and I can do this.’ ... **It’s almost feeling like they’re assuming I’m a problem gambler by having to do this.**”*

*“if you're a problem gambler, as would need to be defined, you're not going to want this because it's a **hindrance** to you. So the actual target audience that this programme is trying to resolve **you're not going to get active participation or consent by that group.** The only way you're going to be able to do that is by **mandating** it to that group”*

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*“how hard is it to load this card? Can it be done, you know, like, does it come directly from your bank account to the cash card, in which case that would be **easy but also maybe dangerous**”*

*“I think **physically holding the money in your hand** actually plays a massive part in the decision making process and, “Do I want to keep doing this?”, essentially.”*

*“**you're not having that break to go away, and every time you do collect more money at an ATM, you're thinking, “Oh, I've spent this much. I've spent this much,” and that's quite good, I think**”*

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*“if you lose the card and someone picks it up, is it free money for them?”*

*“what other data is being collected, you know, where are you visiting, what are - how much are you spending every week? Could that some way be aggregated and, you know, put back to you and used against you in some way in the future”*

*“I definitely agree with XX that you are opening yourself up to a whole heap of marketing or targeted marketing specifically.”*

# Factors influencing the perceived utility of cashless gambling

Level of user autonomy and freedom to use the system

(In)flexibility of consumer protection mechanisms

Process of loading funds

(In)ability to use non-gambling-specific payment methods

(In)consistency across venues

Process of withdrawing funds

Whether there are fees for using the system

(Lack of) integration for making in-venue non-gaming purchases

*“Personally, I tend to resent 'big brother' types of control, and... But I can definitely see the benefit that some people would say, "oh, thank you that's the best thing you could have done for me".”*

*“I'd say it has to be mandatory and all the machines that have to work the same way. **You can't have some cashies there and some cards there. If they're serious”***

***“and who sets that limit and how do you change that limit?”***

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*“Or is it going to be - default to your nominated debit card or credit card? So if its got to be another thing that you've got to top up - so unless it's almost supposed to be putting in a barrier before people going in.”*

*“If it was an actual cash card, like an EFTPOS card, that would make more sense”*

*“So has that got to be a specific card that's - that's acceptable across all RSLs, for example?”*

# Top 5 preferred consumer protection features

1. Being able to see an **activity statement** that summarises gambling activity in real time
- =2. Linking the cashless payment system to **self-exclusion** schemes
- =2. Requiring people to provide **proof of identity** to obtain a card
4. Being able to **set limits** on the amount of time and money spent gambling
5. Having a **quarantine function** within the cashless payment system

# Implications for cashless gambling

## Cashless gambling could make it easier to spend more than intended

- Focus group findings and broader meta-analytic evidence suggest this is a risk

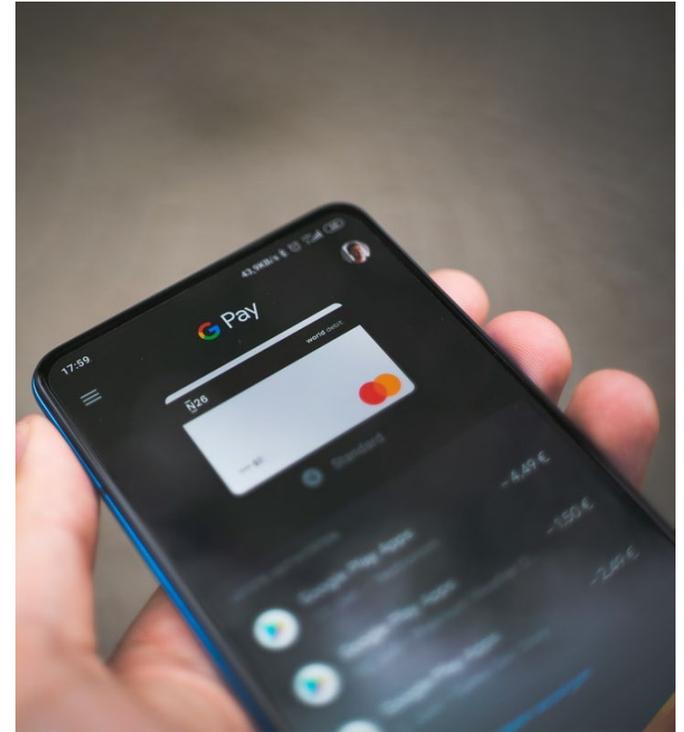
## Concerns about impacts on privacy and freedom of choice

- Many may be reluctant to adopt cashless gambling so messaging needs to be carefully designed

## Imperative to ensure harm reduction potential of the system is realised

- The ability of a voluntary system to achieve this objective is likely severely compromised

(Delfabbro & King, 2021; Gainsbury et al., 2019; Heirene et al., 2021)



# Next steps for research in this area

- Identifying which subgroups may be more or less willing to adopt cashless gambling
- Investigating which system features are most important for effective harm reduction
- Assessing the net impact of cashless gambling in relation to harm

**Results  
late 2022**



# Questions?

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