



The Hidden Harms of Single-Event Sports Betting in Ontario

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Key Points

- Single-event sports betting was legalized in Canada in 2021. One of the arguments for legalization was that it would move the gambling already taking place underground into the safer light of a regulated market, with responsible-gambling safeguards and other player protections.
- Yet there is good reason to question whether Ontario's new sports-betting regime prioritizes player safety.
- Legalizing single-game sports betting didn't just make it possible for fans to bet a few dollars on whether the Leafs would beat the Senators on any given night and then sit back to watch the game. It also opened the door for any game to turn a smartphone into a two-hour slot machine.
- Sports betting now has many of the features that are associated with a higher risk of problem gambling:
 - Ability to bet quickly, continuously, and at short intervals;
 - Effectively unlimited access (online), and ability to gamble while alone, drunk, or high;
 - Structural characteristics that encourage cognitive distortions and loss chasing; and
 - Ability to circumvent responsible-gambling tools.
- Compared to traditional sports bettors, in-play bettors skew younger, are more likely to be male, and are more likely to consume alcohol while betting.
- According to one study, viewers in Ontario are exposed to 2.8 gambling references *every minute* while they watch live sports broadcasts.
- The number of iGO active player accounts, and the amount wagered on betting, is increasing rapidly.
- The average spending per player account in Ontario is currently \$283/month (amount gambled, minus any winnings), which is 3.2 percent of the average monthly household income.
- Experts have identified that gambling above 1 percent of income exposes players to a much higher risk of harm to finances, relationships, and psychological and physical health.
- Ontario should take the following steps to strengthen protections for sports bettors:
 - Ban advertisements for sports betting;
 - Ban in-game bets;
 - Make responsible-gambling messages more effective;
 - Provide a centralized platform for players to limit their gambling; and
 - Require gambling corporations to contribute to problem-gambling prevention and treatment at a rate proportionate to their spending on marketing.



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Introduction

Sports betting is everywhere. Since single-event sports betting was legalized in Canada in 2021, sports games have become saturated by gambling messages. A recent study found that viewers were exposed to 2.8 references to sports betting *every minute* of the live sports broadcasts the researchers studied. On average, more than one fifth (21.6 percent) of viewing time included some form of gambling reference.¹ Viewers

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are starting to get fed up. An Ipsos survey in January 2023 found that almost half (48 percent) of Canadians believe that the number of sports-betting ads is excessive. When asked whether there should be limits on the number and placement of ads, nearly two-thirds (63 percent) agreed.²

Ontario first set out to establish a legal igaming market for sports betting and other online gambling products in 2019. Proponents of legalization from government and the gambling industry cited seemingly modest goals: (1) divert the volume of bets that Canadians were placing on the black market and “grey market” (websites that offer gambling products that are legal where these websites are based but that can also be accessed in other jurisdictions where the products are not legal) to the taxable legal market, (2) improve player safety by moving betting websites into a regulatory regime that requires them to comply with responsible-gambling safeguards, anti-money laundering rules, and other player protections, and (3) avoid losing customers and revenue to the US, where single-event betting became legal in 2018.³ According to this view, legalization would simply move the gambling already taking place underground into the safer light of a regulated market. People were already betting on sports—why not make it legal and give the public purse a cut of the profits?

¹ J. Wheaton et al., “Exploring the Prevalence of Gambling Marketing: An Analysis of the Prevalence of Marketing Across Televised and Social Media Coverage of NBA and NHL in Ontario,” University of Bristol, January 2024, https://www.bristol.ac.uk/media-library/sites/business-school/documents/Exploring_the_Prevalence_of_Gambling_Marketing_UoB_CBCNews.pdf.

² S. Morasch, “How Much Is Too Much? Nearly Half of Canadians Think Gambling Ads Have Gotten Out of Hand,” Ipsos, January 18, 2023, <https://www.ipsos.com/en-ca/how-much-too-much-nearly-half-canadians-think-gambling-ads-have-gotten-out-hand>.

³ Ontario, *2019 Ontario Budget: Protecting What Matters Most*, <https://budget.ontario.ca/pdf/2019/2019-ontario-budget-en.pdf>, 124; see also Department of Justice Canada, *Statement by Minister Lametti Regarding Royal Assent of Criminal Code Amendments on Single Event Sports Betting* (June 30, 2021), <https://www.canada.ca/en/departement-justice/news/2021/06/statement-by-minister-lametti-regarding-royal-assent-of-criminal-code-amendments-on-single-event-sport-betting.html>; Canadian Gaming Association, “Canadian Gaming Association Calls On All Party Support for Single-Event Sports Betting,” October 10, 2019, <https://canadiangaming.ca/canadian-gaming-association-calls-on-all-party-support-for-single-event-sports-betting/>; B. Rutsey, “Single Event Sports Betting: What the Experts Think,” *Hill Times*, December 3, 2012, <https://canadiangaming.ca/single-event-sports-betting-what-the-experts-think/>.

Glossary

AGCO: Alcohol and Gaming Commission of Ontario, the government agency responsible for licensing and regulating all forms of gambling (as well as alcohol and cannabis) in the province.

EGM: electronic gambling machine. In Canada, EGMs are generally known as slot machines when located at traditional gaming facilities (casinos and racetracks) and as video lottery terminals (VLTs) when found in pubs and bars. VLTs are illegal in Ontario and British Columbia.

igaming: internet gambling. It includes any form of gambling offered online, such as sports betting, slots, live card games, and lotteries. Since 2022, igaming has been legal in Ontario through private operators managed by iGO. OLG also offers igaming on its own website.

iGO: iGaming Ontario, a subsidiary of AGCO that was created in 2021 to manage internet gambling in Ontario. iGO only manages the private operators who offer gambling websites in Ontario; it does not provide any online gambling itself.

In-game bet (or live bet): a bet placed on an event in a sports game while the game is in progress. In-game bets can be placed on a wide variety of outcomes, such as which team will win the game or who will score the next point.

OLG: Ontario Lottery and Gaming, a Crown corporation owned by the Ontario government that is responsible for conducting and managing the province's lotteries, land-based casino gaming, charitable gaming centres, and some online gaming. OLG provides some of these gambling products directly (lotteries, its own gambling website) and some through private operators (many casinos). OLG is regulated by AGCO but is not a direct subsidiary.

Parlay bet: a bet in which a bettor combines two or more wagers (called "legs") into a single bet. For a bettor to win, every leg of the parlay must be successful. Adding more legs to a parlay bet lowers the odds of winning and creates a higher potential payout.

Sportsbook: a company (or individual "bookie") that takes bets on sports from individual bettors.

Put this way, making sportsbooks and other online-gambling sites legal seems relatively sensible. But did legalization accomplish what its proponents said it would? What were the costs? This paper takes up the question of whether Ontario's new sports-betting regime is in fact one that prioritizes player safety. (A separate Cardus paper evaluates the black-market argument.⁴)

After a short summary of the legislative background, the paper begins by examining the state of Ontario's legal igaming market, tracking the growth of sports betting and other online gambling products over iGO's first few years of operation. This section shows that sports betting has grown rapidly since the launch of the igaming market in 2022. The following section reviews the risks and harms known to be associated with the type of sports betting now offered in Ontario. Financial data from iGO suggest that existing safeguards have not been sufficient to protect players from harm, which is cause for concern. The paper concludes with recommendations for targeted policy interventions that would aim to provide greater protection for at-risk players.

The Path to Legalization

The Ontario government first announced its intention to create a legal market for online gambling in its 2019 budget. It noted that the province would make it a priority to advocate for the federal government's legalization of single-event betting. At the time, sports betting was legal in Canada but limited to parlay bets, which required bettors to wager on the outcome of multiple events. Placing a bet only on whether the Blue Jays would beat the White Sox, for example, was out of bounds.

The push for single-event sports betting gained momentum over the next few years, and on June 30, 2021, the bill removing the federal prohibition on single-event wagers from the *Criminal Code* received royal assent. Within a week, the Ontario government created iGaming Ontario (iGO) as a new subsidiary of the Alcohol and Gaming Commission of Ontario, the provincial regulatory agency for alcohol, gambling, and cannabis.⁵ When the amendment to the *Criminal Code* came into force at the end of summer 2021,⁶ the Ontario Lottery and Gaming Corporation (OLG) immediately launched PROLINE+, the only legal online sportsbook in the province at the time. It processed more than \$1 million's worth of bets in its first week.⁷

⁴ J. Lewis, "How Big Is Canada's Black Market for Sports Betting? The Gambling Industry's Claims Don't Survive Scrutiny," Cardus, 2024, <https://www.cardus.ca/research/work-economics/research-brief/how-big-is-canadas-black-market-for-sports-betting/>.

⁵ iGaming Ontario [iGO], *Annual Report 2021–22*, <https://www.igamingontario.ca/en/annual-report-2021-22>.

⁶ Alcohol and Gaming Commission of Ontario [AGCO], *Proclamation of Bill C-218 Paves the Way for Regulated Single-Events Sports Betting in Ontario* (August 13, 2021), <https://www.agco.ca/en/news/proclamation-bill-c-218-paves-way-regulated-single-event-sports-betting-ontario>.

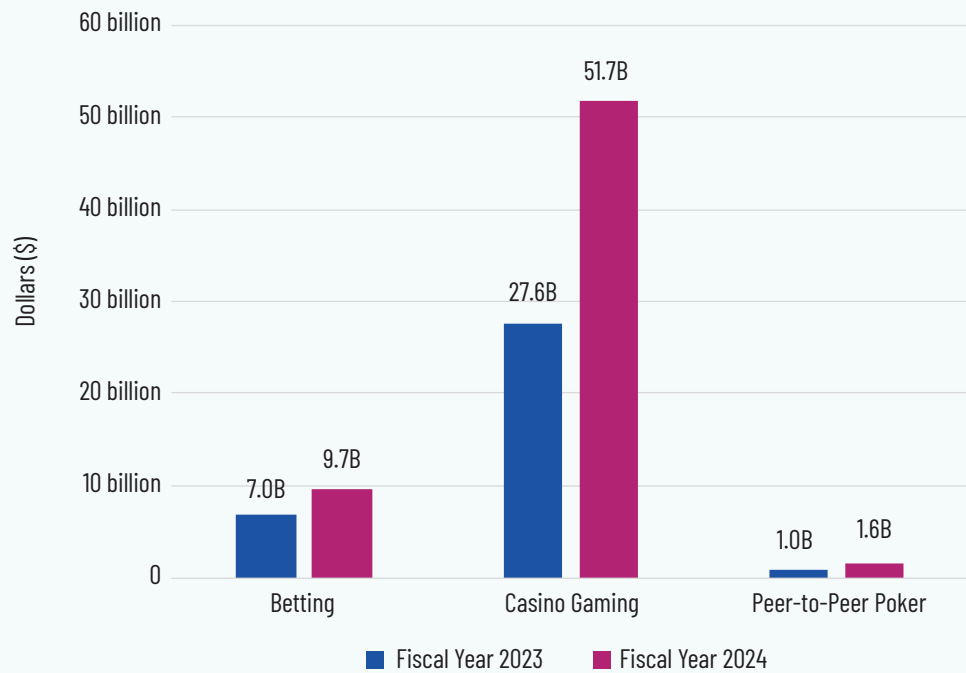
⁷ Ontario Lottery and Gaming Corporation [OLG], *2021–22 Annual Report*, p. 17, https://about.olg.ca/wp-content/uploads/2022/12/OLG-Annual-Report-2021-22-English_FINAL.pdf.

OLG's monopoly on online sportsbooks didn't last long. On April 4, 2022, Ontario launched its igaming market, allowing private operators to offer online gambling—including sports betting, various casino-style games, and poker—to players in Ontario.⁸ Under this new regulatory system, legal gambling websites are run by private igaming operators overseen by iGO (part of the Alcohol and Gaming Commission of Ontario).

A Rapidly Growing Market

iGO breaks down the online gambling market into three product lines: (1) casino games, including slots, table games (both livestreamed and computer-based), and bingo, (2) peer-to-peer poker, and (3) betting. The latter category includes traditional sports betting as well as bets on esports, proposition bets (side wagers on parts of a game other than final outcome, such as over/under on how many points a player will score), and novelty bets (wagers on non-sports events that may take place as

Figure 1. iGO Wagers by Game Type, Ontario, Fiscal Years 2023 and 2024

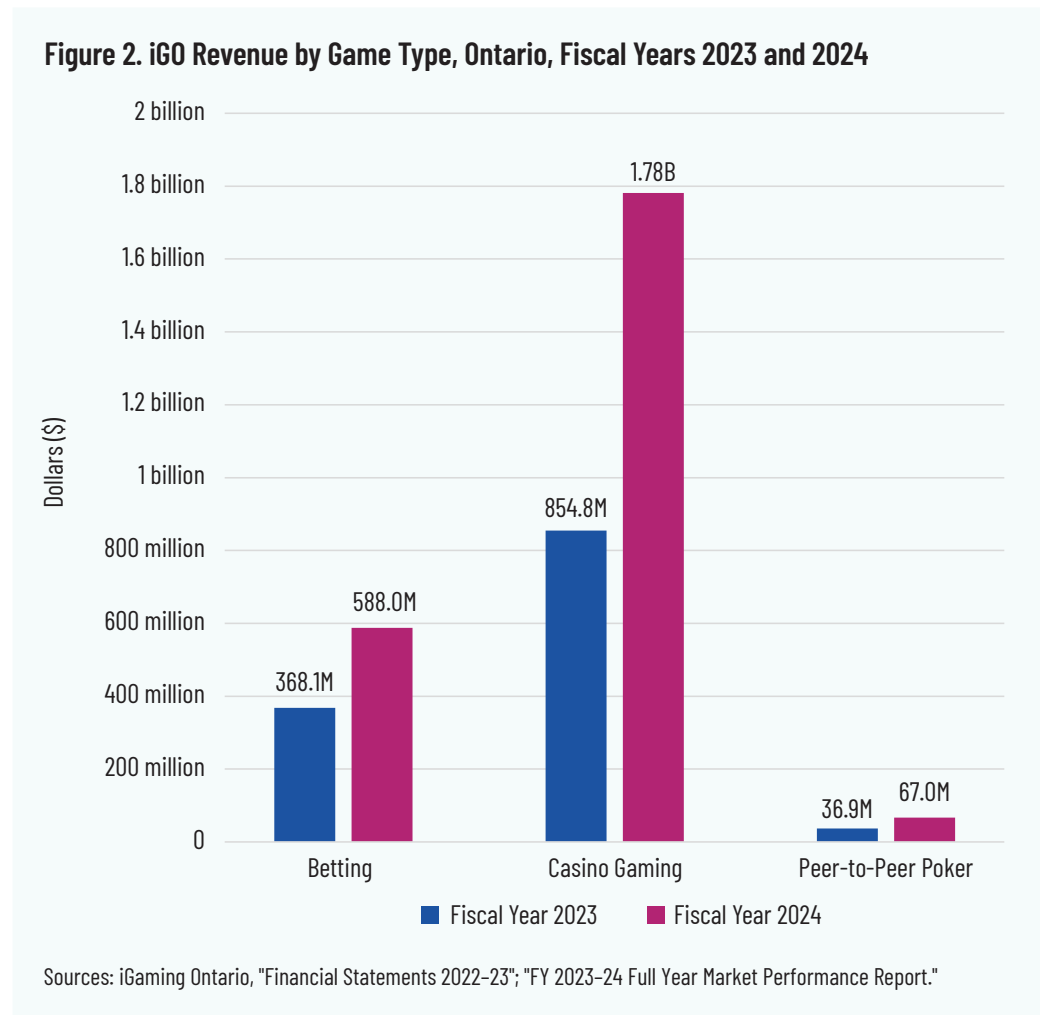


Sources: iGaming Ontario, "Financial Statements 2022-23," iGaming Ontario, "FY 2023-24 Full Year Market Performance Report."

⁸ AGCO, *Important Information for Advertising and Marketing in Ontario's New Igaming Market* (March 16, 2022), <https://www.agco.ca/en/news/important-information-advertising-and-marketing-ontarios-new-igaming-market>.

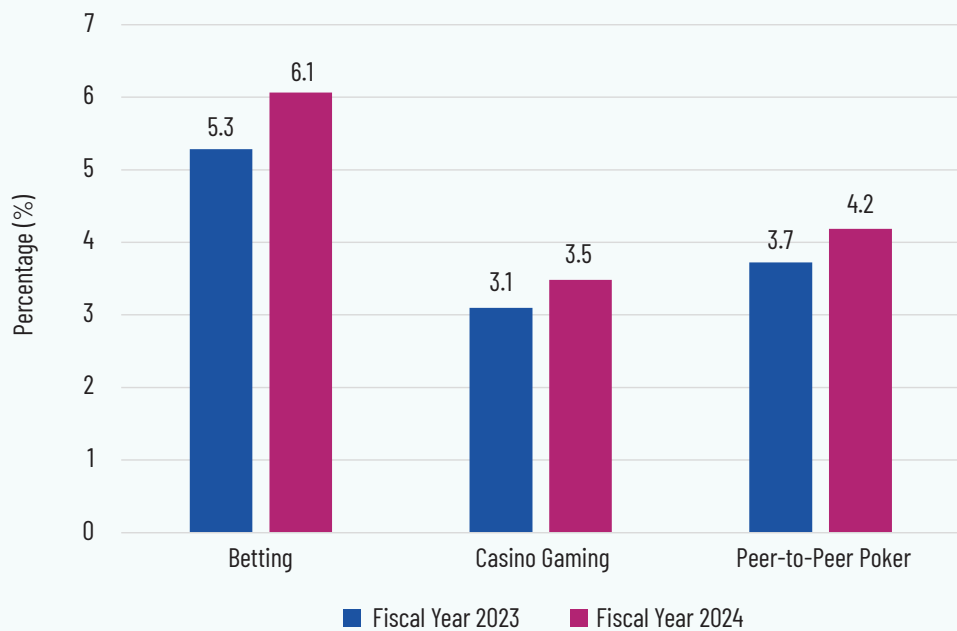
part of a game, such as what colour of Gatorade will be dumped on the winning coach). Casino games were by far the most popular activity in the 2023 fiscal year,⁹ with players wagering around \$51.7 billion on these games (figure 1). Betting was a distant second, at \$9.7 billion in wagers, and peer-to-peer poker attracted \$1.6 billion's worth of wagers.

The balance shifts slightly after winnings are paid out to players. Casino games still bring in the most revenue (\$1.78 billion), but betting is a slightly closer second (\$588 million) (figure 2). That is, players wager 5.3 times as much on casino games as they do on betting, but operators earn only three times as much from casino games, after prizes are paid out. This is because the house cut is larger for betting (5–6 percent) than for casino games (around 3–4 percent) (figure 3). In other words, betting is a disproportionately profitable business line for iGO. Basketball is the most popular sport to bet on, accounting for 29 percent of all wagers in the 2023 fiscal year, followed by soccer (15 percent) and football (13 percent) (figure 4).



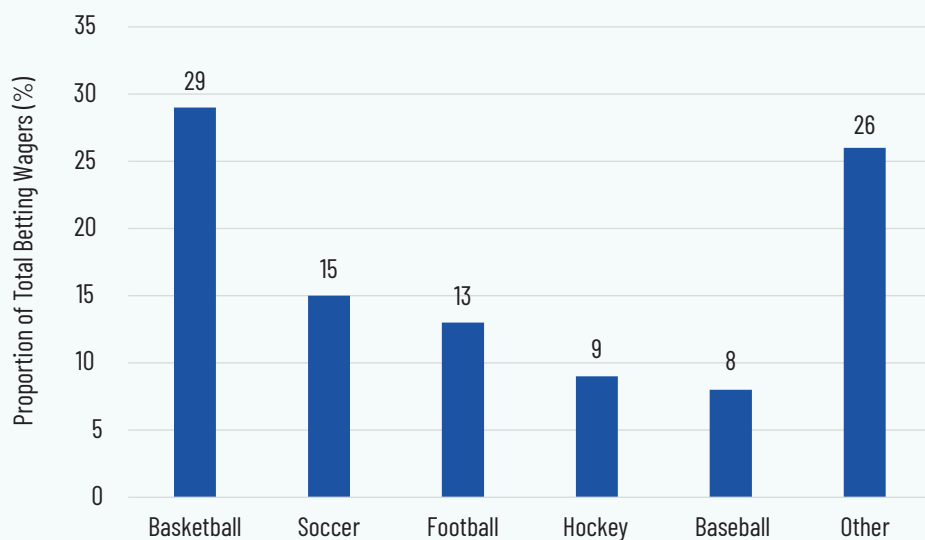
⁹ iGO's fiscal year runs from April 1 to March 31. References to fiscal year in this paper are to the calendar year in which the fiscal year ends. For example, the 2023 fiscal year runs from April 1, 2022 to March 21, 2023.

Figure 3. Share of Wagers Collected as Revenue, by Game Type, Ontario, Fiscal Years 2023 and 2024



Sources: iGaming Ontario, "Financial Statements 2022-23"; "FY 2023-24 Full Year Market Performance Report."

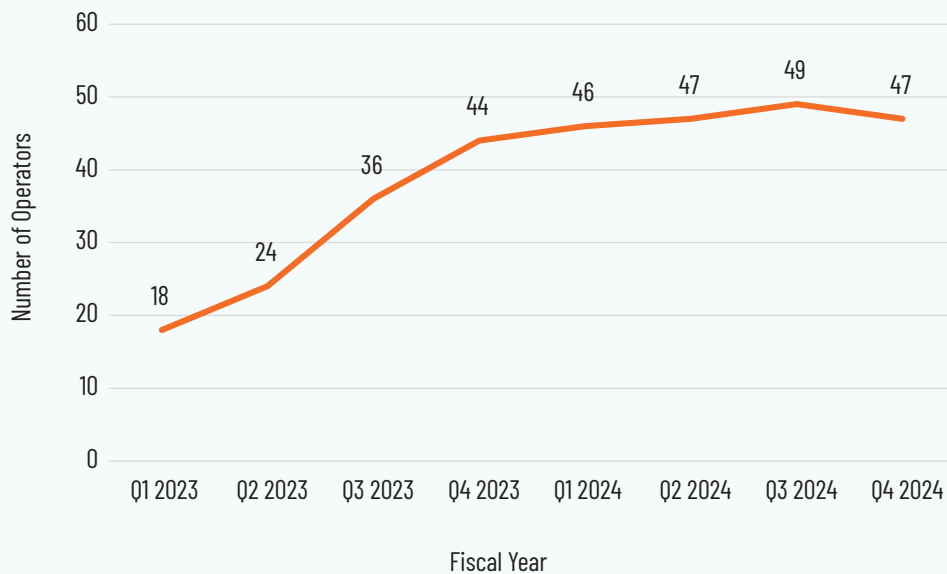
Figure 4. Most Popular Sports by Total Wagers with iGO Operators, Ontario, Fiscal Year 2023



Note: iGO does not specify whether these figures include propositional and novelty bets.

Source: iGaming Ontario, "Financial Statements 2022-23"; "FY 2023-24 Full Year Market Performance Report."

Figure 5. Number of Licensed iGO Operators, Ontario, Fiscal Years 2023 and 2024, by Quarter



Source: iGO, Quarterly Market Reports; iGO, "What Sites Are Regulated For Play In Ontario?"

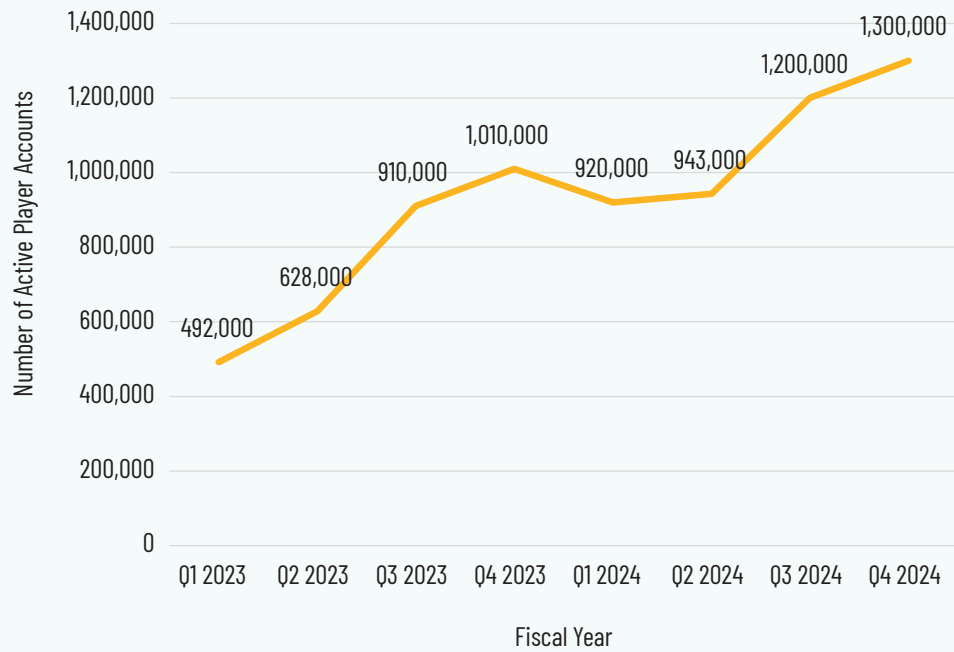
The trajectory of sports betting within the new igaming market is uncertain, since iGO didn't start publishing disaggregated revenue data by quarter until its second year of operation in 2023. But iGO has published data on Ontario's igaming market as a whole. The new market grew rapidly throughout its first year. The number of licensed private operators has been increasing nearly every quarter since the market opened (figure 5). As of July 2024, there were fifty operators licensed to offer online gambling in Ontario, thirty of which offer sports betting.¹⁰

The number of active player accounts followed a similar pattern, more than doubling over the course of the 2023 fiscal year before levelling off. Then, in the last three months of 2023, active player accounts ticked upward again (figure 6). The same pattern shows up in iGO's financial data: wagers and after-prize revenue exploded in the new market's first year, then held steady into its second year before spiking again in the last quarter of the 2024 fiscal year (figure 7). What drove the recent jump? Sports betting. From the second quarter of the 2024 fiscal year to the third quarter, the amount of money wagered on iGO increased 15 percent for casino games, 9 percent for peer-to-peer poker, and 63 percent for betting.¹¹ The spike in sports bets is most likely a product of the pro-sports season schedule: basketball, football, and

¹⁰ iGO, *What Sites Are Regulated For Play In Ontario?*, <https://igamingontario.ca/en/player/regulated-igaming-market>.

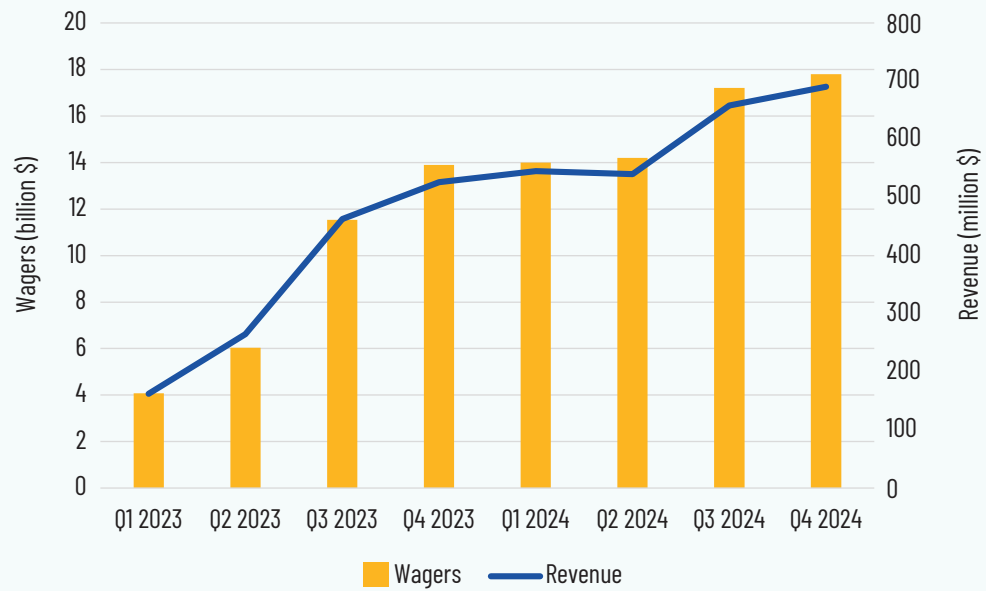
¹¹ iGO, *iGaming Ontario's FY 2023–24 Q3 Market Performance Report*, January 17, 2024, <https://igamingontario.ca/en/news/igaming-ontarios-fy-2023-24-q3-market-performance-report>.

Figure 6. iGO Active Player Accounts, Ontario, Fiscal Years 2023 and 2024, by Quarter



Source: iGO, Quarterly Market Reports.

Figure 7. iGO Total Wagers and Revenue, Ontario, Fiscal Years 2023 and 2024, by Quarter

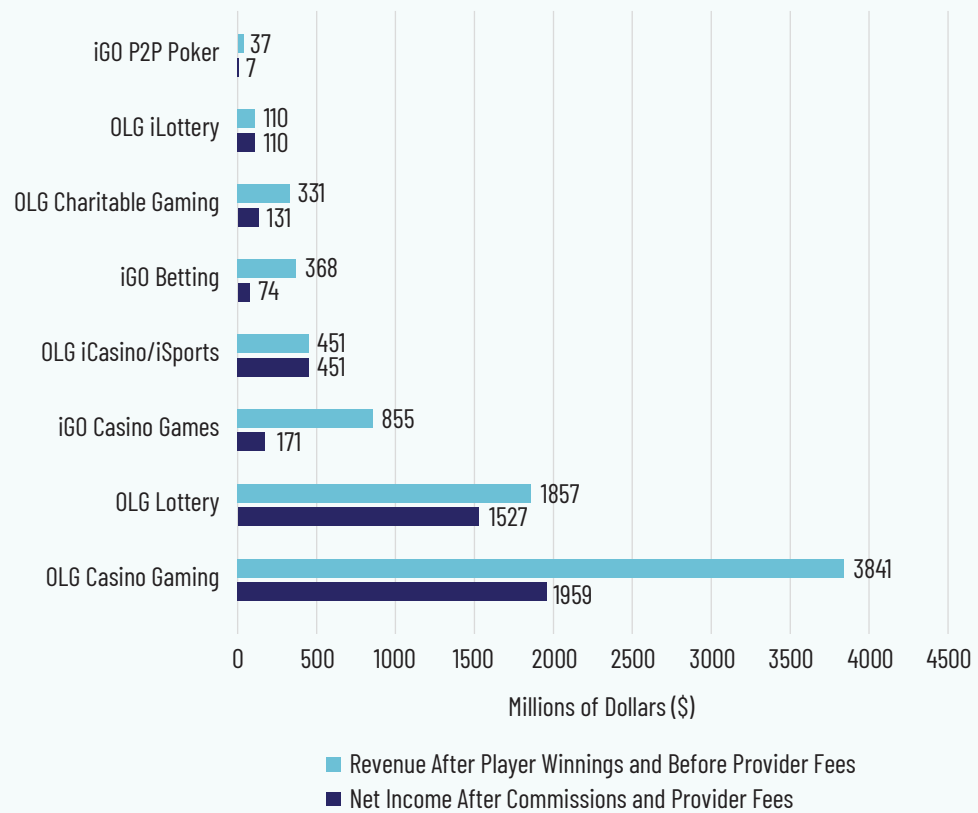


Source: iGO, Quarterly Market Reports.

hockey together accounted for more than half of all sports bets in fiscal year 2023, and the NBA, NFL, and NHL seasons all start in the fall.

How does the new gambling scene in Ontario compare to its more well-established counterpart, OLG? Though the ads that have flooded viewers' screens may make it seem like the new operators are dominating the market, iGO remains much smaller than OLG. After player winnings were paid out, casino games brought in \$855 million in revenue for iGO in fiscal year 2023. This is almost double OLG's iCasino and iSports line (\$451 million), but less than a quarter of OLG's in-person casino gaming revenue over the same period (\$3.84 billion) (figure 8).

Figure 8. iGO and OLG Revenue by Game Type, Ontario, Fiscal Year 2023



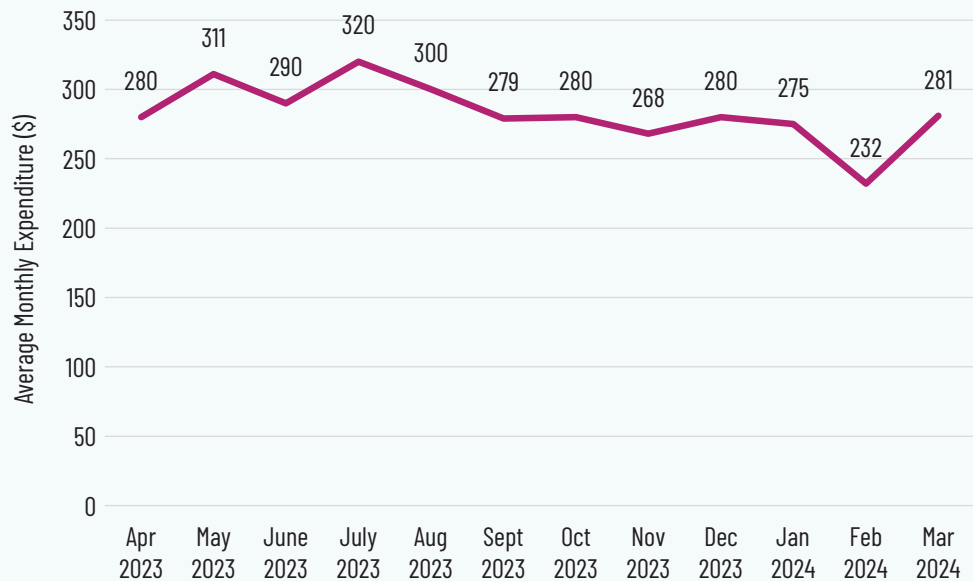
Note: Figures from the 2023 fiscal year are used, as these were the most recent data available for OLG at time of writing. Sources: iGaming Ontario, "Financial Statements 2022-23"; Ontario Lottery and Gaming, "Consolidated Financial Statements 2022-23," 33-36.

OLG also sends much more of the money it makes to public coffers. OLG does share some of its revenue with the retailers selling lottery tickets and the private companies operating most of the casinos, but the amount works out to only around a third of OLG's total after-prize revenue. iGO, in contrast, gets only 20 percent of the after-prize revenue from the new igaming market; the rest goes to the private operators running the gambling sites.¹² OLG's income after prizes, commissions, and provider fees in the 2023 fiscal year was around \$4.2 billion; iGO's was a more modest \$252 million.

Sports Betting's Risks and Harms

Though online gambling is a smaller operation than traditional casino and lottery games (at least for now), it still made well over \$2 billion in fiscal year 2024. Every one of these dollars, of course, is a dollar lost by players. Some players can absorb these losses with minimal harm to their financial health. But there are other players

Figure 9. Average Monthly Spending per Active Player Account, Ontario, Fiscal Year 2024



Source: iGO, "Restatement of Average Monthly Spend per Player Account (April 1, 2023 to March 31, 2024)."

¹² iGO, *Financial Statements of iGaming Ontario: Year Ended March 31, 2023 and for the Period from July 6, 2021 (Date of Incorporation) to March 31, 2022* (August 17, 2023), <https://igamingontario.ca/en/igo-financial-statements-2022-2023>.

who are spending more on gambling than they can afford to lose. And this is where iGO, despite its smaller scale, poses an outsized risk to consumers.

Over the 2024 fiscal year, the monthly spending of the average active player *account*—not, importantly, the average *player*, since one person can have accounts with multiple operators—on iGO-regulated sites was between \$232 and \$320 (figure 9). According to iGO, this figure “is a measure of the average amount of revenue [that is, total wagers and fees, minus player winnings] Operators receive from each active player account during a given month.”¹³ The average spending over the year was \$283 per month.¹⁴

Less than \$300 a month might not seem like much. But evidence-based standards suggest that this number is dangerously high. According to the Lower-Risk Gambling Guidelines developed by the Canadian Centre on Substance Use and Addiction, players’ monthly spending on gambling (that is, how much they lose, net of any winnings) should be no more than 1 percent of their monthly pre-tax household income. Spending above this amount exposes players to a greater risk of gambling-related harm.¹⁵

How much greater? Compared to those who spend less than 0.1 percent of their income on gambling (that is, someone who gambles occasionally or not at all), someone who exceeds the 1 percent threshold is 4.3 times as likely to experience financial harm, 4.7 times as likely to experience relational harm, 3.9 times as likely to experience emotional or psychological harm, and 4.4 times as likely to experience harm from health problems related to their gambling.¹⁶ The average annual pre-tax household income in Ontario in 2022 (the most recent year that data were available) was \$106,800,¹⁷ which would put the monthly 1 percent gambling threshold at \$89

¹³ iGO, *Restatement of Average Monthly Spend per Player Account (April 1, 2023 to March 31, 2024)*, <https://igamingontario.ca/en/restatement-average-monthly-spend-player-account-april-1-2023-march-31-2024/>.

¹⁴ For clarity, this figure refers to the average amount of revenue that operators received per active account, per month, over the course of the year. It is not what the average iGO player account spent per month, over the year, since there are some accounts that may not have been active in every month of the year.

¹⁵ Lower-Risk Gambling Guidelines, “The Lower-Risk Gambling Guidelines,” <https://gamblingguidelines.ca/lower-risk-gambling-guidelines/what-are-the-guidelines/>.

¹⁶ The Lower-Risk Gambling Guidelines research team drew these categories of harm from the Problem Gambling Severity Index, a measure widely used by clinicians and researchers. Indicators of financial harm are: betting more than one can afford to lose, borrowing money or selling something to get money to gamble, and gambling’s causing any financial problems for the gambler and their household. The indicator of relational harm is: “Have you felt people criticized your betting or told you that you had a gambling problem, regardless of whether or not you thought it was true?” Indicators of emotional distress are: feeling like one might have a problem with gambling, and feeling guilty about one’s gambling. For the health indicator, the Index asks gamblers if their gambling has caused them any health problems such as stress or anxiety. See M. Young et al., “Developing Lower-Risk Gambling Guidelines,” Canadian Centre on Substance Use and Addiction, 2021, p. 4, <https://gamblingguidelines.ca/app/uploads/2021/01/LRGG-Developing-Lower-Risk-Gambling-Guidelines-Report-2021-en.pdf>.

¹⁷ Statistics Canada, *Table 11-10-0190-01: Market Income, Government Transfers, Total Income, Income Tax and After-Tax Income by Economic Family Type*, <https://doi.org/10.25318/1110019001-eng>. The median total household income was \$84,400.

per month. This is less than one third of what the average iGO account spent.¹⁸ The average iGO account spending was equivalent to 3.2 percent of the average Ontarian's household income, at which level a player's relative risk increases to 6.8 times for financial harm, 7.7 times for relational harm, 5.9 times for emotional/psychological harm, and 6.4 times for harm to health.¹⁹ Put differently, for the current monthly spending on iGO sites to be lower-risk, the average player account would need to be attached to a household income of nearly \$340,000. And it is worth repeating here that the actual monthly spending per average *player* is almost certainly higher, since some players have accounts on multiple sites.

The problem with the kind of sports betting now offered legally in Ontario is that it includes many of the features known to make certain gambling products especially dangerous for players.

Though the amount spent on the average player account is cause for serious concern, this figure tells us very little about *which* players are most at risk. Average account expenditure is just that, an average, and there are limits to the conclusions that can be drawn about sports betting specifically, from a number that includes a variety of online gambling products. Moreover, iGO's financial data suggest that casino gaming, by far the largest business line for the igaming market, poses the greatest risk of population-level harm. But this does not mean that the warning signs emerging from iGO's aggregate data do not apply to sports betting. Quite the opposite: the kind of sports betting made available and popular since 2021 is dangerous precisely because it is in several crucial ways indistinguishable from gambling products like online casino games. In other words, the problem with the kind of sports betting now offered legally in Ontario is that it includes many of the features known to make certain gambling products especially dangerous for players.

The first potential danger emerging from the new sports-betting regime comes from the fact that it is offered entirely online. In 2021, a team of researchers reviewed over one hundred studies, covering populations in fifty-eight jurisdictions, to identify the most common risk factors for problem gambling. They found that the players most likely to develop a gambling problem were not those with substance-use problems or psychosocial vulnerabilities such as anxiety or depression. No: the players most at risk of problem gambling were those who gambled online.²⁰

¹⁸ This calculation assumes that gambling is done by only one member of the household. If anything, therefore, it understates the problem for households in which more than one member gambles.

¹⁹ Young et al., "Developing Lower-Risk Gambling Guidelines," 10.

²⁰ Y. Allami et al., "A Meta-Analysis of Problem Gambling Risk Factors in the General Adult Population," *Addiction* 116, no. 11 (2021): 2968–2977, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8518930/>.

This is not to say that online gambling is dangerous in a qualitatively different way from other gambling formats. The same study found that the risk of problem gambling was nearly as high for players who used electronic gambling machines (EGMs) and slot machines, which experts have long warned are among the most risky and addictive ways to gamble. If online gambling is becoming equally or more dangerous, the likely explanation is simply that the internet makes more accessible certain gambling products that share the addictive structural characteristics of EGMs.²¹ As Cardus has emphasized in previous papers, these features are dangerous by design:

EGMs are designed to override players' self-control of their spending and playtime with features that make them think they're closer to winning, or are winning more often, than they actually are. These deceptive features include losses disguised as wins, where audio and visual effects celebrate a player "winning" an amount less than he or she wagered even though the player lost money, and near misses, where the display of symbols makes it appear that the player was close to winning even though the outcome of each play is completely random. These features manipulate players' emotional and cognitive perceptions of the game to keep them playing longer and spending more.²²

Throw in a fast, continuous rate of play, and currency displayed as credits instead of cash values, and you get a machine that is extraordinarily effective at parting players from their money.²³ EGMs bring in more revenue for OLG than every other gambling format combined.²⁴

Internet gambling provides access to games with the same addictive features—rapid rate of play, structural characteristics encouraging cognitive distortions, and monetary abstraction—and adds new risk factors into the mix. The smartphone becomes a portable casino that lets gamblers play anywhere and anytime, including alone, drunk, or high. Instead of dropping change into a machine, players link a credit card to their online gambling profile(s), making it easy to access more money if

²¹ As the study concluded, "the most frequently assessed problem gambling risk factors with the highest effect sizes are associated with continuous-play format gambling products [that is, EGMs and internet gambling]." In other words, what the highest-risk gambling formats have in common are features that enable players to bet frequently and at short intervals. Allami et al., "A Meta-Analysis of Problem Gambling Risk Factors." See also GREO, "Online Gambling," https://www.greo.ca/en/topics/online-gambling.aspx?_mid_=9414/.

²² B. Dijkema and J. Lewis, "Turning Aces Into Assets: Four Options to Help the Government Turn Its Addiction to Gambling Revenue Into Assets for the Poor," Cardus, 2021, p. 52, <https://www.cardus.ca/research/turning-aces-into-assets/>; B. Dijkema and J. Lewis, "Pressing Its Luck: How Ontario Lottery and Gaming Can Work For, Not Against, Low-Income Households," Cardus, 2020, pp. 22–23, <https://www.cardus.ca/research/work-economics/reports/pressing-its-luck/>; GREO, "Slots and VLTs," <https://www.greo.ca/en/topics/slots-and-vlts.aspx>.

²³ Thus some researchers have argued that it is not game type but game features that makes some gambling formats riskier than others. M. Griffiths and M. Auer, "The Irrelevancy of Game-Type in the Acquisition, Development, and Maintenance of Problem Gambling," *Frontiers in Psychology* 16, no. 3 (2013): 621, <https://www.frontiersin.org/articles/10.3389/fpsyg.2012.00621/full>.

²⁴ See Dijkema and Lewis, "Turning Aces Into Assets," 51; Dijkema and Lewis, "Pressing Its Luck," 19.

they start to lose. Players can switch between platforms with just the swipe of a finger, limiting the effectiveness of responsible-gambling features such as self-exclusion and precommitment tools. Players who decide to block their access to one app, or get locked out when they hit their time or spending limits, can just open another.²⁵

Sports betting's move online has opened another dangerous can of worms as well: the rise of in-play betting. As the name suggests, this category includes any bets while the game is underway, such as the score at halftime or the next foul. While in-play betting has existed in some form since the 1990s, when bookies started taking bets over the phone, the internet has changed the game.²⁶ Online sports betting allows gambling sites to change their odds in real time as a game progresses and to offer bets on a virtually infinite number of events through apps and websites that are updated every few seconds. Online sports betting also makes it possible to bundle endless combinations of these in-play wagers into parlay bets, in which players bet on the outcome of multiple events for a higher payout if each event is successful. Today's sports gamblers can be placing multiple bets a minute for as long as the game is running.

As one researcher put it, the introduction of in-play bets has changed sports betting from a game like the lottery—make your predictions, then sit back and wait to see if you won—to a game more like a slot machine, where you can bet continuously throughout the game.²⁷ In-play betting has many of the same structural characteristics that make electronic gambling machines so dangerous. These include short intervals between bets, near misses (if some but not all conditions of a multiple-event wager are met), and high multiplier potential (the chance to bundle wagers across multiple events and thus create longer odds and higher possible payouts).²⁸ It makes sports betting faster and more impulsive and gives players more opportunities to chase losses within the game. All of these features are exacerbated by the ability to access in-play bets anytime, via the internet, and anywhere, via the smartphone.²⁹ Recognizing these risks, Australia has banned all online in-play betting on live sports events since 2001.³⁰

²⁵ See GREO, "Online Gambling." iGO has started the process of building a centralized self-exclusion platform that would allow players to lock themselves out of all licensed igaming platforms. iGO, *Coming Soon: iGaming Ontario to Request Proposals for a Centralized Self-Exclusion Solution in Early 2024*, <https://igamingontario.ca/en/news/coming-soon-igaming-ontario-request-proposals-centralized-self-exclusion-solution-early-2024/>.

²⁶ E. Killick and M. Griffiths, "In-Play Sports Betting: A Scoping Study," *International Journal of Mental Health and Addiction* 17 (2019): 1456–1495, <https://link.springer.com/article/10.1007/s11469-018-9896-6>.

²⁷ N. Wells, "B.C. Marks Two Years of Single-Game Sports Betting with Concerns from Researchers," *Canadian Press*, September 5, 2023, <https://biv.com/article/2023/09/bc-marks-two-years-single-game-sports-betting-concerns-researchers>.

²⁸ P. Newall, A. Russell, and N. Hing, "Structural Characteristics of Fixed-Odds Sports Betting Products," *Journal of Behavioral Addictions* 10, no. 3 (2021): 317–380, <https://akjournals.com/view/journals/2006/10/3/article-p371.xml>.

²⁹ Killick and Griffiths, "In-Play Sports Betting"; compare H. Lopez-Gonzales, A. Estevez, and M. Griffiths, "Internet-Based Structural Characteristics of Sports Betting and Problem Gambling Severity: Is There a Relationship?," *International Journal of Mental Health and Addiction* 17 (2019): 1360–1373, <https://link.springer.com/article/10.1007/s11469-018-9876-x>; K. Winters and J. Derevensky, "A Review of Sports Wagering: Prevalence, Characteristics of Sports Bettors, and Association with Problem Gambling," *Journal of Gambling Issues* 43 (2019): 108–110, <https://cdspress.ca/?p=8687>.

³⁰ The same legislation also bans online slot machines and casino games. Australia, *Interactive Gambling Act 2001*, <https://www.legislation.gov.au/C2004A00851/latest/text>.

Given the well-known dangers of high-speed gambling,³¹ it should come as no surprise that in-play betting is linked to a higher risk of problem gambling. Because in-play bets are more numerous, the opportunities increase for bettors to lose money.³² One review of the research found that “multiple, frequent and larger in-play bets appeared likely indicators that differentiated high-risk sports bettors from lower risk sports bettors.”³³ In-play bets also offer more opportunities to bet impulsively, which has been linked to higher problem-gambling risk.³⁴ Compared to traditional sports bettors, in-play bettors skew younger, are more likely to be male, and are more likely to consume alcohol while betting, all of which are risk factors for problem gambling.³⁵

The same features that make in-play bets so dangerous may also be what makes them so attractive to high-risk players. A study in Australia found that players who bet on “micro events”—in-play wagers where the outcome is determined almost immediately—were more than two and a half times more likely to meet the criteria for problem gambling compared to sports bettors who did not bet on micro events. The researchers concluded that “micro event betting appears to appeal almost exclusively to bettors with gambling problems, so a ban would represent a highly targeted intervention to reduce gambling-related harm.”³⁶ This conclusion is consistent with evidence from research on other gambling formats suggesting that high-speed games are particularly appealing to this type of gambler.³⁷

³¹ See, for example, M. Auer and M. Griffiths, “The Relationship Between Structural Characteristics and Gambling Behaviour: An Online Gambling Player Tracking Study,” *Journal of Gambling Studies* 39 (2023): 265–279, <https://link.springer.com/article/10.1007/s10899-022-10115-9>; A. Harris, G. Gous, B. de Wet, and M. Griffiths, “The Relationship Between Gambling Event Frequency, Motor Response Inhibition, Arousal, and Dissociative Experience,” *Journal of Gambling Studies* 37 (2021): 241–268, <https://link.springer.com/article/10.1007/s10899-020-09955-0>; Griffiths and Auer, “The Irrelevancy of Game-Type.”

³² N. Hing, A. Russell, P. Vitartas, and M. Lamont, “Demographic, Behavioural and Normative Risk Factors for Gambling Problems Amongst Sports Bettors,” *Journal of Gambling Studies* 32 (2016): 625–641, <https://link.springer.com/article/10.1007/s10899-015-9571-9>.

³³ Killick and Griffiths, “In-Play Sports Betting.”

³⁴ Hing et al., “Demographic, Behavioural and Normative Risk Factors for Gambling Problems Amongst Sports Bettors”; Winters and Derevensky, “A Review of Sports Wagering,” 109–111.

³⁵ See, for example, H. Kim, S. Coelho, J. Vieira, and M. Keough, “Dispositional and Contextual Correlates of In-Play Sports Betting and Related Harms: A 2-Week Ecological Momentary Assessment Study,” *Psychology of Addictive Behaviors* 37, no. 8 (2023): 1066–1079, <https://pubmed.ncbi.nlm.nih.gov/37535553/>; H. Lopez-Gonzales, M. Griffiths, and A. Estevez, “In-Play Betting, Sport Broadcasts, and Gambling Severity: A Survey Study of Spanish Sports Bettors on the Risks of Betting on Sport While Watching It,” *Communication & Sport* 8, no. 1 (2020): 50–71, <https://journals.sagepub.com/doi/10.1177/2167479518816338>; Winters and Derevensky, “A Review of Sports Wagering,” 107–108; R. Williams et al., “Predictors of Gambling and Problem Gambling in Canada,” *Canadian Journal of Public Health* 112, no. 3 (2021): 521–529, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8076356/>.

³⁶ A. Russell et al., “Who Bets on Micro Events (Microbets) in Sports?,” *Journal of Gambling Studies* 35 (2019): 205–223, <https://link.springer.com/article/10.1007/s10899-018-9810-y>.

³⁷ A. Harris and M. Griffiths, “The Impact of Speed of Play in Gambling on Psychological and Behavioural Factors: A Critical Review,” *Journal of Gambling Studies* 34 (2018): 393–412, <https://link.springer.com/content/pdf/10.1007/s10899-017-9701-7.pdf>.

Figure 10. Betano Canada Advertisement, 2022



Source: Betano Canada, "A Premium World of Sports Betting: The Game Starts Now," November 9, 2022, <https://www.youtube.com/watch?v=Jbw6y6IC1H0>.

Figure 11. TheScore Advertisement, 2022



Source: B. King, "Ontario Welcomes Betting, Limits Ads," *Sports Business Journal*, April 4, 2022, <https://www.sportsbusinessjournal.com/Journal/Issues/2022/04/04/Upfront/Sports-betting.aspx>.

For sportsbooks, of course, getting people to spend more money by betting more often and more quickly is a feature, not a bug. In-game bets, parlay bets, and especially in-game parlay bets are extraordinarily profitable for gambling companies.³⁸ The profit margin for sportsbooks on parlay bets is up to 30 percent—five to six times as much as it is for straight bets.³⁹ In 2022, the sportsbook DraftKings saw its hold (the percentage of money a sportsbook keeps for every dollar wagered by bettors) increase by nearly three-quarters of a percent when it increased the share of parlays in its total bets and the number of “legs” (that is, individual events wagered on) in the average parlay bet.⁴⁰ This is an enormous boost in profit, considering the billions of dollars’ worth of wagers the company processes. In-play bets, meanwhile, made up 68 percent of gambling giant bet365’s revenue from sports betting in 2021.⁴¹ Other industry insiders have put in-play bets’ revenue contribution at around 70 percent.⁴²

In short: Ontario’s brave new world of sports betting bundles many of the most dangerous features of any gambling format into a product that has proven highly lucrative for sportsbooks while siphoning a concerning amount of money from players’ pockets. Legalizing single-game sports betting didn’t just make it possible for fans to bet a few dollars on whether the Leafs would beat the Senators on any given night and then sit back to watch the game. It also opened the door for any sports game to turn a smartphone into a two-hour slot machine.

As we have seen, there is a lot of money to be made from this model, which is why gambling companies have spent the last several years in an aggressive battle for market share—to the exasperation of Ontario sports fans bombarded with sportsbook ads. The problem with all the marketing is not simply that sports games are swamped by gambling commercials. Marketing increases the volume of gambling, including problem gambling, and normalizes as fun and harmless what is in fact a risky and potentially addictive behaviour.

³⁸ See, for example, G. Zochodne, “BetMGM Could Win Back Market Share with Better Product, MGM CEO Suggests,” *Covers*, August 3, 2023, <https://www.covers.com/industry/betmgm-market-share-online-sports-betting-angstrom-entertainment-acquisition-mgm-august-2023>; G. Zochodne, “DraftKings Will Have ‘Best’ Sports Betting Product in Second Half, CEO Says,” *Covers*, August 4, 2023, <https://www.covers.com/industry/draftkings-second-quarter-results-sports-betting-product-august-4-2023>.

³⁹ See C. Wassel, “How Do Same Game Parlays Work?,” *Forbes Betting*, March 1, 2023, <https://www.forbes.com/betting/guide/same-game-parlay/>; M. Bradley, “Will Sports Betting Change What It Means to Be a Fan in Philly?,” *Philadelphia Magazine*, September 24, 2022, <https://www.phillymag.com/news/2022/09/24/sports-betting/>; but see also a lower estimate (20 percent) at A. Salzman, “DraftKings and Other Sports Gambling Apps Are Hitting the Jackpot With ‘Parlay’ Bets. As They Win, You Lose,” *Barron’s*, August 11, 2023, <https://www.barrons.com/articles/draftkings-flutter-stock-sports-gambling-parlay-bet-25914b0f>.

⁴⁰ DraftKings, “Q4 2022 Business Update,” February 16, 2023, <https://draftkings.gcs-web.com/static-files/9feb5890-c3a1-4da2-aa35-e3f5dfbc70e4>.

⁴¹ M. O’Hagan, “Bet365 Revenue Steady in 2020–21 Despite In-Play Betting Decline,” *iGaming Business*, March 3, 2022, <https://igamingbusiness.com/finance/bet365-revenue-steady-in-2020-21-despite-in-play-betting-decline>.

⁴² C. McAlee, “Will US Sports Betting Market Follow European In-Play Betting Behavior?,” *Lineups*, April 26, 2023, <https://www.lineups.com/betting/will-us-sports-betting-market-follow-european-in-play-betting-behavior/>.

The research on gambling advertising is clear on the risks. A 2023 systematic review of the research found solid evidence for a cause-effect relationship between advertising volume and gambling activity, including harmful gambling activity:

Studies . . . consistently support the existence of a causal relationship between exposure to advertising of gambling products/brands and more positive attitudes to gambling, greater intentions to gamble and increased gambling activity at both individual and population level. There is evidence of a “dose-response” effect; greater advertising exposure increases participation which leads to a greater risk of harm.⁴³

But we hardly need academic studies to tell us this. Gambling corporations—including private operators and OLG—do not pour hundreds of millions of dollars into their marketing budgets because they think it will have no effect on consumer behaviour. They invest in ads because ads work.

Ontario’s brave new world of sports betting bundles many of the most dangerous features of any gambling format into a product that has proven highly lucrative for sportsbooks while siphoning a concerning amount of money from players’ pockets.

The rise of online sports betting is a public-health problem that demands action from government. The province must step up and fulfill its responsibility to protect its citizens, especially the most vulnerable. The evidence is mounting that the unbridled expansion of sports betting has a dark side. If providers want to tell a rosier story about our brave new sports-betting world, they should provide the data that support this claim. Until then, it’s time to start stacking the odds in favour of consumers, not sportsbooks’ bottom line. That’s a winning bet for the future of Ontario.

Recommendations

Online sports betting is an addictive product with significant potential for harm. Cardus believes that Ontario’s policy approach to sports betting, as with other high-risk gambling formats, should be consistent with the dangerous nature of the product. There are many players who bet on sports without apparent harm; to the extent that legalization has given these players a safer market in which to do so, it has been a change for the better.

Yet legalized sports betting in its current form does not make player safety its priority. This report has made clear that the status quo is not one in which players

⁴³ E. McGrane, “What Is the Evidence that Advertising Policies Could Have an Impact on Gambling-Related Harms? A Systematic Umbrella Review of the Literature,” *Public Health* 215 (2023): 124–130, <https://www.sciencedirect.com/science/article/pii/S0033350622003420>; see also M. Browne et al., “The Impact of Exposure to Wagering Advertisements and Inducements on Intended and Actual Betting Expenditure: An Ecological Momentary Assessment Study,” *Journal of Behavioral Addictions* 8, no. 1 (2019): 145–156, <https://akjournals.com/view/journals/2006/8/1/article-p146.xml>.

have sufficient safeguards surrounding their engagement with a product with well-documented risks. iGO's own statistics show that players are gambling more than they can afford to lose, significantly increasing their risk of harm. The Province of Ontario must recommit to its goal of making the sports-betting market a safer place for players.

Policymakers should take a targeted approach through the interventions listed below, which aim to provide greater protection for at-risk players.⁴⁴ Cardus also recommends restricting availability so as to disincentivize participation and thereby reduce harm. Ontario already does this with several other dangerous products: the province uses taxes, marketing restrictions, and inconvenient purchasing rules to create friction in the consumption process of legal but harmful products. These disincentives are scaled to the harm potential of the product. The policy recommendations below focus on treating online sports betting overall, as well as its most risky elements, in a way consistent with existing harm-reduction legislation for addictive products.

1. Ban advertisements for sports betting

Gambling is a dangerous and addictive activity, especially with smartphone apps that allow bettors to turn every sports game into a handheld slot machine. This activity should not be normalized as a way to get more entertainment value from a sports game, nor should private (or Crown) corporations be permitted to stoke demand for this activity as a way to boost their bottom line. If legalized sports betting is simply meeting an existing demand, there should be no need to advertise it.

Players are already gambling on iGO sites at levels far above what experts have identified as a safe threshold. Given the documented risks of harm from this product, it should be given the same legislative treatment as tobacco and cannabis: providers can sell it if customers come to them, but they cannot try to boost their sales through advertising.

2. At minimum, ban advertisements for sports betting during sports broadcasts

Ontario should adopt a “whistle-to-whistle” ban on sports-betting ads: no advertising during a live sports broadcast, starting at least five minutes before the game begins and ending at least five minutes after the game finishes.⁴⁵ The United Kingdom has had a similar ban in place since 2019.⁴⁶

⁴⁴ For two other recent reports that address the issues and make policy recommendations, see: Centre for Addiction and Mental Health (CAMH), *Gambling Policy Framework*, March 27, 2024, <https://www.camh.ca/-/media/driving-change-files/public-policy/camh-gambling-policy-framework-pdf.pdf>; and M.M. Young, S. McKnight, L. Kalbfleisch et al., *Gambling Availability and Advertising in Canada: A Call to Action*, Canadian Centre on Substance Use and Addiction, 2024, <https://www.ccsa.ca/sites/default/files/2024-06/Gambling-Availability-and-Advertising-in-Canada-en.pdf>.

⁴⁵ S. Houpt, “CAMH Calls for Ban on Gambling Advertising During Sports Broadcasts,” *Globe and Mail*, May 21, 2023, <https://www.theglobeandmail.com/canada/article-camh-calls-for-ban-on-gambling-advertising-during-sports-broadcasts/>.

⁴⁶ R. Davies, “Gambling Advert Ban Takes Effect from Start of Ashes,” *The Guardian*, August 1, 2019, <https://www.theguardian.com/society/2019/aug/01/gambling-advert-ban-takes-effect-from-start-of-ashes/>.

This measure would at the very least reduce minors' exposure to gambling commercials. The Alcohol and Gaming Commission of Ontario's own marketing and advertising standards prohibit ads that target underage players,⁴⁷ but simply preventing ads from making minors their main audience seems insufficient, given how thoroughly sports broadcasts are saturated with betting references. A child or teenager watching a sports game in Ontario spends over 20 percent of that time exposed to gambling messaging. This is particularly concerning given research by the Centre for Addiction and Mental Health, showing that the proportion of students in grades 7–12 who gamble online more than tripled between 2019 and 2021, from 4 percent to 15 percent.⁴⁸

An effective whistle-to-whistle ban must cover all forms of gambling advertising, including logos on player uniforms and playing surfaces.⁴⁹ Sports games should be safe, gambling-free spaces.

3. Ban in-game bets; at minimum, ban advertisements for in-game bets

Removing in-game bets would go a long way toward making sports betting more like a lower-risk lottery drawing and less like a slot machine. Many of the features that make contemporary sports betting so dangerous—short intervals between bets, the ability to bet near-continuously throughout a game, high multiplier potential, near misses, opportunities to chase losses and bet impulsively—come from in-game bets. Eliminating these bets would be an important step toward protecting some of Ontario's most vulnerable consumers, without limiting players' access to safer formats.

As mentioned above, online in-play sports betting is already prohibited in Australia.⁵⁰ At minimum, advertisements for these bets should be prohibited in Canada. Given the research cited above, showing that micro-bets are associated with higher risk of problem gambling and that these bets appeal primarily to bettors with a gambling problem, advertising such bets may already be in violation of the Alcohol and Gaming Commission of Ontario's regulations prohibiting ads from targeting high-risk players.⁵¹

⁴⁷ AGCO, *Marketing and Advertising*, <https://www.agco.ca/marketing-and-advertising>.

⁴⁸ Centre for Addiction and Mental Health, "The Well-Being of Ontario Students: Findings from the 2021 Ontario Student Drug Use and Health Survey: Summary Report," viii, <https://www.camh.ca/-/media/files/pdf--osduhs/2021-osduhs-report-summary-pdf.pdf>.

⁴⁹ R. Purves and N. Critchlow, "Gambling and Sport: How Bookmakers Win in Voluntary 'Whistle-to-Whistle' Advert Ban," *The Conversation*, November 7, 2019, <https://theconversation.com/gambling-and-sport-how-bookmakers-win-in-voluntary-whistle-to-whistle-advert-ban-125692>; Wheaton et al., "Exploring the Prevalence of Gambling Marketing."

⁵⁰ Australia, *Interactive Gambling Act 2001*.

⁵¹ AGCO, *Marketing and Advertising*.

4. Make responsible-gambling messages more effective

Adding a fine-print disclaimer, reminding consumers to gamble responsibly, to an advertisement that encourages these same consumers to spend more money on gambling is an ineffective way to prevent gambling-related harm.⁵² The province should invest in evidence-based strategies for improving its responsible-gambling messaging.⁵³

Again, gambling is a dangerous and addictive product and should be treated as such in provincial legislation. For example, it may be worth exploring responsible-gambling strategies that, like packaging on cigarettes, disclose to consumers the known risks associated with the product. This has the added benefit of giving players a more concrete understanding of what (ir)responsible play looks like: “Spending more than 1 percent of your pre-tax household income on gambling quadruples your risk of harm” is more direct than “Know your limit, play within it.”

5. Provide a centralized platform for players to limit their gambling

As discussed in this paper, players’ ability to switch between platforms in the province’s new igaming market limits the effectiveness of responsible-gambling tools. There are dozens of providers offering sports-betting apps and websites in Ontario. If gamblers decide that they need a break, they should have an easy way to block access to all these providers simultaneously.

iGO has already started the process of creating a centralized self-exclusion system, which is a positive development.⁵⁴ As the project is still in its early stages, iGO has an important opportunity to incorporate other player-protection measures into this centralized system. In addition to self-exclusion, players should have the option to set voluntary limits on their time and/or spending across all platforms, a precommitment measure that has been shown to have a positive impact on gamblers.⁵⁵

Ontario should also follow the lead of the UK and consider implementing affordability checks when gambling expenditure exceeds a certain spending threshold,⁵⁶ which

⁵² P. Newall, “Designing Improved Safer Gambling Messages for Race and Sports Betting: What Can Be Learned from Other Gambling Formats and the Broader Public Health Literature?,” *Journal of Gambling Studies* 39, no. 2 (2023): 913–928, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC10175478/>.

⁵³ There is a substantial body of literature that policymakers can consult on this topic. For a recent study of safer gambling messages used in Australia, see P. Newall et al., “‘Chances Are You’re About to Lose’: New Independent Australian Safer Gambling Messages Tested in UK and USA Bettor Samples,” *Addiction Research and Theory* (2023): 1–9, <https://www.tandfonline.com/doi/full/10.1080/16066359.2023.2282545>.

⁵⁴ iGO, *Coming Soon: iGaming Ontario to Request Proposals*.

⁵⁵ See M. Auer, S.H. Reiestad, and M.D. Griffiths, “Global Limit Setting as a Responsible Gambling Tool: What Do Players Think?,” *International Journal of Mental Health and Addiction* 18, no. 1 (2020): 14–26, <https://psycnet.apa.org/record/2020-13125-001>.

⁵⁶ United Kingdom Department for Culture, Media, and Sport, *High Stakes: Gambling Reform for the Digital Age* (April 27, 2023), <https://www.gov.uk/government/publications/high-stakes-gambling-reform-for-the-digital-age>.

recent research has shown would have minimal impact on those who do not have a gambling problem.⁵⁷ This would be consistent with Ontario’s harm-reduction legislation for other addictive products: just as it is illegal to sell alcohol to someone who appears to be intoxicated, it should be illegal to take bets from a person who appears to be gambling irresponsibly.⁵⁸

6. Require gambling corporations to contribute more money to problem-gambling research, prevention, and treatment, and link these contributions to marketing spending

There should be ongoing monitoring and measurement of gambling harm and the associated societal costs. If gambling providers (both private and state-owned entities) want to increase the volume of gambling in Ontario, they should cover the public-health costs associated with increased participation in a harmful activity. Every dollar spent on marketing gambling to Ontarians should be matched by a dollar contributed to the Ministry of Health, or to an arm’s length non-profit organization, for problem-gambling prevention and treatment initiatives.

This would not only make more funds available for those who need it most but also significantly curtail advertising. A sportsbook would need to double its marketing budget to run the same number of ads, thus cutting into profits; if it wanted to keep its marketing budget at the same level, it could run only half the number of ads with that money.

⁵⁷ D. Zendle and P. Newall, “The Relationship Between Gambling Behaviour and Gambling-Related Harm: A Data Fusion Approach Using Open Banking Data,” *Addiction* (2024): 1–10, <https://onlinelibrary.wiley.com/doi/10.1111/add.16571>.

⁵⁸ See Ontario, *Liquor Licence and Control Act, 2019*, S.O. 2019, C. 15, schedule 22, III.32; AGCO, *Responsible Liquor Sale, Service and Delivery Training*, <https://www.agco.ca/en/alcohol/responsible-liquor-sale-service-and-delivery-training>. For example, the affordability checks recommended in the UK would trigger at high loss levels within short periods of time, since such gambling patterns may indicate high-risk binge gambling.

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