

Opportunities for Impact:

# **The Role of Financial Institutions in Mitigating Gambling-Related Harm**

# A Collaborative Role for Canada's Banks and Credit Unions

Across Canada, gambling opportunities are expanding at an unprecedented rate. This puts more Canadians – among them many bank customers and credit union members – at risk of significant social and financial harm.

The consequences of gambling-related harm frequently expand beyond individuals, rippling out to affect families, workplaces and communities. Regulated gambling's rapid expansion is drawing in new, younger populations, creating an additional level of concern. According to a 2021 study reported in the *Canadian Journal of Public Health*,<sup>1</sup> 2.7% of Canadians can be identified as “at-risk gamblers” and 0.6% are “problem-gamblers.”

Beyond the impact on individuals, families and communities, gambling-related financial harm can also pose significant business and reputational risks for financial institutions (FIs), including credit and lending risks, money-laundering exposure, and reputational and regulatory risks. Consumer-facing banks and credit unions that have publicly committed to supporting the financial well-being of customers and communities are particularly vulnerable to reputational risk.

Jurisdictions where legal gambling has also expanded, including Australia and the UK, have recognized that financial institutions play a powerful role on behalf of current and potential customers by providing information, support and solutions to prevent or mitigate harms arising from legal gambling.

## Why This Issue Matters to Financial Institutions

- A growing number of Canadian bank and credit union customers regularly participate in regulated gambling.
- FIs have unique access to customers' gambling-related transactions and, consequently, also have a unique duty of care to work with customers and other stakeholders in mitigating the impact of gambling-related financial harms.
- By being proactive, FIs can reduce their exposure to a variety of business risks while meeting the needs of customers who depend on them for exceptional service and trusted financial guidance.
- Integrating environmental, social and governance (ESG) considerations into Know-Your-Customer (KYC) and due diligence processes enables FIs to better assess the risk profiles of gambling operators seeking banking services.
- Acting to mitigate social and financial harms related to gambling shows that FIs are aligned with their published values and social commitments.

## Who is the Responsible Gambling Council

Headquartered in Toronto, the [Responsible Gambling Council \(RGC\)](#) is an independent, non-profit organization dedicated to promoting safer gambling by influencing positive change and advancing harm prevention and safer play standards in Canada and internationally. For more than 40 years, RGC has worked with regulators, operators and the gambling public to ensure that gambling safeguards are in place to support the well-being of people and communities. Internationally recognized for its evidence-based approach to promoting safer gambling practices, RGC is a member of the Global Gambling Forum and the administrator of RG Check, the internationally acknowledged gold standard for accreditation metrics that ensure gambling operators maintain the highest standards.

<sup>1</sup> Williams, R. J., Leonard, C. A., Belanger, Y. D., Christensen, D. R., El-Guebaly, N., Hodgins, D. C., McGrath, D. S., Nicoll, F., Smith, G. J., & Stevens, R. M. (2021). Predictors of gambling and problem gambling in Canada. *Canadian journal of public health*, 112, 521–529.



## Canada's Gambling Landscape

**2.7%**

of Canadians can be identified as "at-risk gamblers" and **0.6% are "problem-gamblers"**<sup>1</sup>

**32%**

of Canadians between 18 and 29 have participated in online gambling<sup>1</sup>

**3.1%**

of Canadians with household incomes of \$80–\$99k have been identified as "at-risk gamblers" and **2.2% of Canadians with household incomes of \$100–\$149.9k have been identified as "at-risk gamblers"**<sup>1</sup>

Types of regulated gambling in Canada include **app-based/online gambling, casino-based gambling, horse racing, lotteries and sports betting**

<sup>1</sup> Williams, R. J., Leonard, C. A., Belanger, Y. D., Christensen, D. R., El-Guebaly, N., Hodgins, D. C., McGrath, D. S., Nicoll, F., Smith, G. J., & Stevens, R. M. (2021). Predictors of gambling and problem gambling in Canada. *Canadian journal of public health, 112*, 521–529.

# A Public Health and Financial Stability Issue

Internationally, there is growing recognition that gambling-related harm affects public health and financial stability. It often undermines household finances and leads to unmanageable debt. As legal gambling markets expand and gambling products become more accessible and diverse, understanding and reducing gambling's harmful impacts is increasingly important for FIs tasked with supporting customers' financial security and well-being.

## The Growing Presence of Gambling in Daily Life

- Canada's context has shifted significantly since the *Safe and Regulated Sports Betting Act* came into effect (January 2022), enabling single-event sports betting.
- Ontario launched the first regulated internet gaming market in April 2022, opening the door to private online gambling operators alongside Ontario Lottery and Gaming Corporation (OLG).
- These regulatory changes have led to increased gambling advertising, marketing and accessibility, heightening exposure and potential harm.
- Expanded availability increases the risk of financial harm for some consumers, with effects rippling across households and communities.

### Gambling-Related Harm: A Ripple Effect on Financial Stability



Missed bill payments



Depleted savings



Reliance on high-cost credit



Loan defaults



Relationship breakdown



Longer-term housing and employment instability

### Why Canadian FIs Are Uniquely Positioned to Help

Having long framed themselves as partners in their clients' financial health, encouraging responsible risk-taking, budgeting and sustainable borrowing, financial institutions have a clear, shared interest in preventing the accumulation of unmanageable debt linked to gambling losses. Commercial banking and corporate services can also play a crucial role by embedding expectations for harm prevention in their relationships with gambling operators. This aligns with their due diligence obligations and KYC processes.

# Strengthening the Financial System Response to Gambling-Related Harm

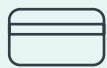
## An Evolving Gambling Market Needs an Evolved Response

The rapid evolution of the gambling market in Canada – and in jurisdictions around the world – has introduced new, system-wide financial risks that extend beyond individual consumers, underscoring the need for leadership from financial institutions across banking, payments and fintech ecosystems.

### Early Indicators of Financial Vulnerability



Rapidly shrinking savings



Increased reliance on overdrafts and/or credit



Escalating transaction frequency

## Protecting Customers from Gambling-Related Harms

At the retail level, banks and credit unions can support their customers by integrating clear, accessible information about gambling-related financial risks in budgeting tools, digital platforms and customer communications. They can also look to markers of financial vulnerability and signs of harm to help them spot early warning signs of vulnerability in their customers' financial behaviour. Organizations like the RGC can provide guidance on developing effective responses that are supportive, proportionate and respectful of customer privacy. The focus should be on providing early support, establishing banks and credit unions as trusted partners, and helping customers stay financially resilient.

## An Opportunity for Canadian FIs

Following the lead of peer organizations worldwide, Canadian FIs, through their commercial and corporate banking functions, can play a vital role by embedding harm prevention and safer play expectations into their relationships with gambling operators. By improving coordination with gambling operators on KYC processes and detecting high-risk or illegal activity, FIs can protect customers and strengthen the integrity of the financial system. Payment providers and fintechs can implement transaction-level consumer empowerment tools such as spending alerts, real-time nudges and voluntary gambling blocks.

Collectively, implementing these better business practices offer a major opportunity for Canadian financial institutions and reduce their exposure to reputational risks. They can become leaders in reducing gambling-related financial harm, align with global best practices and reinforce public trust in financial institutions.



### A Commitment to Clients

Canadian FIs are uniquely positioned to identify and mitigate gambling-related financial harm as part of their commitment to client financial well-being.

# Supporting Financial Well-Being Across Commercial and Consumer Banking

Transforming system-level commitments into meaningful outcomes requires practical, customer-facing measures embedded in everyday banking and payment experiences. Fortunately, FIs already possess many of the tools needed to reduce gambling-related harm. Now, they need to put them into action through accessible support resources, clearer transaction classification and carefully designed choice architecture. FIs can empower clients, identify emerging risks earlier and reinforce their role as trusted partners in financial well-being – while respecting customer choice and minimizing operational burdens.

## Embedding Financial Well-Being into Everyday Banking Experiences

### Changes to Merchant Category Codes

Strategically using accurate merchant category codes (MCCs) helps identify and address gambling-related financial harm. Categorizing transactions – such as online gambling deposits and lottery purchases – as gambling rather than general entertainment allows financial institutions to better track customer

gambling spending. Improving MCC accuracy provides clearer customer insights, enhances the use of spending limits and blocks, and supports more meaningful budgeting tools and nudges. While some lottery purchases – for example, those made at grocery stores – can limit precision, stronger MCC practices remain critical for improving customer awareness, early risk detection and targeted harm-reduction interventions.

### Case Study

## Helping Customers Block Gambling-Related Transactions

**monzo**

**STARLING**

**Starling Bank and Monzo Bank are both digital banks based in the UK. They offer a range of services and share a focus on using technology to deliver a better customer experience.**

Starling and Monzo, responding to customer feedback and various stakeholders concerned about gambling-related harms, were the first banks in the UK to support customers seeking to block gambling-related transactions. This was achieved by reassessing MCCs to uniquely categorize transactions with online gambling sites and betting shops and recognizing this as gambling spend. The information made it possible to block gambling-related transactions both on the back end through customer support and on the self-directed front end through the FI's mobile application.

### Gambling Blocks Driven by Customer Demand

- Monzo Bank and Starling Bank were the first FIs in the UK to offer gambling blocks to clients in 2018, following client demand. Eleven FIs currently offer gambling blocks.
- Four UK FIs also have gambling spend limits.

## Gambling Harm Support Page

Connect with at-risk customers by providing gambling-harm support content through their banking platform. Integrate practical banking controls, access to support services and straightforward education about gambling-related harm. A dedicated page shows the FI's commitment to protecting customers. It outlines available institutional supports and links to trusted external partners, like the RGC. These partners can provide plain-language definitions of gambling, identify common warning signs and harms, and connect users to culturally relevant, community-based resources, including financial counselling.

The page should also show customers how to activate gambling transaction blocks and set spend limits. By making tools, information and referral links available in one place, the page makes it easier to find help and support earlier for more proactive intervention.

### Case Study

## Gambling Harm Support Pages in Australia



**National Australia Bank Limited (NAB) is one of Australia's largest FIs by market capitalization, earnings and customer base.**

In 2019, NAB was the first Australian bank to support voluntary gambling blocks placed by customers. They built on this commitment with a detailed gambling harm support page on their website that links to national services for crisis support, gambling help and a dedicated NAB specialist support team. The page contains instructions on how clients can block gambling transactions and access financial assistance counselling and First Nations-specific resources. It also provides a definition of gambling and gambling harm, examples of games of chance, signs of gambling-related harm, links to external support organizations, and financial budgeting tools.



## Gambling Blocks and Monthly Spend Limits

Providing gambling transaction blocks along with category-based monthly spend limits creates a compelling, customer-centred approach to managing gambling-related financial risk. These tools let clients restrict access to gambling transactions and set clear,

self-defined spending boundaries. A large randomized controlled trial conducted by the [UK Behavioural Insights Team](#) suggests that interactive spending limits increase the use of gambling management tools. Thoughtful choice architecture – such as [opt-out designs](#) and timely nudges – can further enhance effectiveness while maintaining customer autonomy.

### Case Study

## Introducing Gambling Blocks in Ireland



**Bank of Ireland (B of I) is a leading financial services group operating in Ireland, UK and international markets, providing a full range of retail, corporate and commercial banking services.**

In 2025, B of I, responding to customer demand, matched many of their competitors by introducing voluntary gambling blocks onto debit and credit cards. Analyzing customer data showed

B of I that 90% of gambling transactions were online, with the vast majority funded through debit card usage. Additionally, B of I found that there was a 19% year-over-year increase in gambling spend among the 18-to-25-year-old cohort. Research suggests that [young adults are at a heightened risk of gambling harm](#) due to a lack of awareness of long-term negative consequences, a high level of sensation seeking and self-perceived invulnerability.



**Five Irish banks, including the Bank of Ireland, have instituted gambling blocks.**



## Promoting Safer Play and Awareness with Targeted Messaging About Gambling-Related Transactions

Targeted, timely messaging that connects with customers can play a valuable role in promoting awareness, reflection and self-management of gambling behaviours. This approach builds on transaction classification, enabling financial institutions to communicate with clients at key moments – such as after increased gambling activity, repeated transactions within short timeframes or attempted blocked transactions. Messages can be designed to reveal patterns, familiarize customers with available tools, and gently prompt them to consider limits, budgeting, or support resources. When informed by behavioural insights and delivered in a supportive, non-judgmental tone, targeted messaging can serve as an early-intervention mechanism, reinforcing financial well-being without restricting customer choice or requiring active help-seeking.

### Case Study

## Monitoring for Signs of Financial Harm



**Santander UK is a large retail and commercial bank based in the UK and a wholly owned subsidiary of the major global bank, Banco Santander.**

In the UK, gambling operators, in accordance with Section 3.4.4 of the UK Gambling Commission's (UKGC's) License Conditions and Codes of Practice, are required to undertake financial vulnerability checks on players as a

condition of staying in business. FIs are integral to gambling operators' compliance with UKGC operating conditions and play a key role in monitoring potential gambling-related harms in their customers. As part of Santander Bank's corporate social responsibility initiative and to promote the financial well-being of its customers, Santander monitors customer accounts for signs of gambling-related financial harm, deploying unique check-ins for varying levels of gambling engagement, which remind customers that tools and support resources are available.



# Shaping Safer Gambling Through Commercial Relationships

As gambling operators plan to enter or expand across Canada’s regulated gambling markets, FIs are positioned to act as an integral stakeholder in the wider gambling ecosystem. Through commercial banking relationships with gambling operators, FIs can influence industry practices by setting expectations that prioritize player well-being, regulatory compliance and strong ESG performance. Ensuring that B2B clients demonstrate a meaningful commitment to harm prevention and safer play contributes to safer consumer outcomes and helps mitigate reputational, regulatory, credit and operational risks for operators and the financial institutions that serve them – particularly as new markets continue to evolve.

## Commercial Due Diligence as a Lever for Player Protection

By integrating ESG considerations in KYC and due diligence processes, FIs are better able to assess the risk profile of gambling operators seeking banking services. As part of onboarding and ongoing review, institutions can require operators to demonstrate robust player safety and harm prevention controls. These would operate alongside effective anti-money laundering frameworks and align with the Sustainable Industry Classification System (SICS)

standards for casinos and gaming, including evidence of independent third-party assessments of these controls where available, such as RGC’s RG Check accreditation. This approach supports more informed decision-making and strengthens regulatory compliance. It also helps ensure that financial institutions engage with operators that pose lower reputational risk and make player well-being, financial integrity and long-term sustainability a priority.

### Case Study

## SASB Looks to RG Check Standards and Criteria

A not-for-profit, public interest organization, the [IFRS Foundation](#) develops globally accepted accounting and sustainability disclosure standards through its two standard-setting boards, the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB).

The Sustainability Accounting Standards Board (SASB) standards, supported by the IFRS, set a global benchmark in corporate reporting. They include key topics, metrics and best practices across various sectors. Their adoption reduces operational risk for businesses. SASB’s casino and gambling sector standards show that following RGC’s RG Check Standards and Criteria – used for RG Check accreditation for both

Venues and iGaming – can help mitigate operational and reputational risks by preventing highly publicized incidents of severe gambling-related harm.

Before GamCare’s suspension of its social responsibility accreditation, NatWest Group required commercial clients in the internet gambling space to obtain accreditation or be in the process of pursuing it or an equivalent to demonstrate heightened corporate ESG standards and diminish reputational risk.



**SASB standards identify best practices across various industries, and their adoption mitigates operational risk for businesses.**

# Conclusion

## Supporting the Financial Health of Canadians

As regulated gambling becomes a daily activity in Canada, a unified approach is needed to support the financial health of the growing number of Canadians who choose to gamble. RGC wants to work with retail banks and credit unions to create this approach. Together, we will develop education, tools and resources to empower customers, build their financial resilience and ensure Canadians receive the support they need from the gambling and financial services industries to protect their financial health and that of their families.

In its [2025 Budget](#), the Government of Canada pledged to move toward consumer-driven banking. This goal is to promote financial sector innovation, improve Canadians' financial outcomes and let consumers share data securely. As data becomes available, RGC seeks to partner with FIs interested in exploring new ways to mitigate gambling-related risks and promote a sustainable Canadian financial ecosystem.

## Embrace the Power of Partnership

Canada's banks and credit unions know their customers, and they know a growing number take part in regulated gambling. As fiduciaries, FIs have a duty of care to protect the financial health of their members and shareholders. Working with RGC is an opportunity for Canada's FIs to meet their commitments to customer service while also reducing the organizational risks associated with gambling-related financial and social harms that can impact customers, their families and their communities.



### Be a Leader in Mitigating Gambling Harm

Connect with RGC to discuss opportunities for how we can work together to protect Canadian from gambling-related harms.  
[safergamblingfinance@rgco.org](mailto:safergamblingfinance@rgco.org)



The Responsible Gambling Council (RGC) is an independent, non-profit organization that has been dedicated to gambling-related harm prevention, globally, for over 40 years. We promote safety in gambling by working with all sides to ensure sustainable gambling spaces and help those at risk.

RGC is committed to bringing together all perspectives in the reduction of gambling harms, including those of people with lived experience with gambling problems, as well as gaming providers, regulators, policy makers and treatment professionals.

Visit our website for more information about RGC's programs and services.

Visit [ResponsibleGambling.org](https://ResponsibleGambling.org)  
or contact us at [safergamblingfinance@rgco.org](mailto:safergamblingfinance@rgco.org).