

Sutton Citizens Advice Bureau



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Dear Ms Redmond

I am writing further to our recent telephone conversation concerning the Gambling Bill. Thank you for your helpful guidance on this matter and your invitation to write in with my comments.

I have been giving advice for about 18 years and during this time frequently helped people deal with their debts. I have personally advised people who have lost their homes and families due to debts caused by gambling. I am presently helping a woman who has separated from her husband due to his gambling debts. I have given an outline of their situation below.

My client is a woman who has two young children both aged less than 5 years. She works part time. Her husband is the person who has the main income. They are homeowners and their home is subject to a mortgage of £150,000. My client cannot afford the mortgage payments from her income alone. Her husband was gambling and due to this incurred debts, two loans together totalling £60,000. He hid the statements from her so that she was completely unaware of the situation. When he was struggling to repay the loan instalments as well as the mortgage he approached his wife, informed her of the existence of the debts, and asked her to agree to re-mortgage their home to pay the debts off. She was reluctant to secure these sums on the matrimonial home and was particularly concerned that he may not be able to control himself and may start gambling again. They separated eight months ago because of the debts caused by gambling. He is still paying the loans and now also pays rent on a property that has been let to him. It is because of these financial commitments that he has stopped fully paying the mortgage. My client cannot afford to pay the mortgage herself and has had to turn to her parents, pensioners, for help from their savings. She has started to consult a solicitor about divorce. If her husband were bankrupted it is likely that she and her children may find themselves homeless. She has stated to me that she does not want to be separated from her husband and wants to be with him again living together as a family. However to protect herself and her children from the consequences of his debt caused by gambling, she feels obliged to go ahead with the divorce.

My client has now seen the old bank statements from one of the high street banks that her husband has a £30,000 debt with. She states that most of the entries are debits from his account clearly going to gambling lines, between £100 and £800 daily. It seems that the bank contacted her husband, not to raise their concerns about his compulsive gambling, but to extend further credit to him so that he could gamble even more. In her opinion the bank acted in a completely unethical way.

The above example shows that debts caused by gambling can separate husbands from wives and parents from children. They can also lead to families losing their homes. In another case that I dealt with it almost led to the loss of liberty. In that case a man who was a compulsive gambler stole a very substantial sum of money from his sister to pay debts caused by gambling. He did this because he feared that he was about to be made bankrupt, which would result in his family, including children, being made homeless. His sister lived abroad and had trusted him to look after her assets in the UK. He received a suspended custodial sentence for the theft.

I do not believe that the Gambling Bill should make gambling debts enforceable. Although gambling itself is legal in the UK, there are many people who find gambling compulsive. Debts caused by gambling do destroy people's lives. I imagine that the gambling industry has very high profits, which

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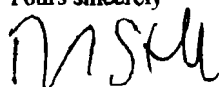
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are in part built on this compulsive behaviour. Legislation would be better if it were aiming to protect people who are vulnerable to compulsive behaviour and those who are close to them such as spouses and children. I understand that alcohol is not supposed to be served in licensed premises to customers who are obviously drunk. However someone compulsively gambling could be permitted to continue until their homes are lost and they are sitting in the local authority's homeless persons unit having an interview about whether they are intentionally homeless (i.e. not eligible for any help) and what will happen to the children. The gambling industry and any lender that gives loans knowing that it is for the purpose of gambling should be under an obligation not to exploit such individuals by continuing to permit gambling or extending further credit. I believe that the current position (i.e. debt not enforceable) should also be extended to more clearly include lenders. It would to some extent protect people with compulsive behaviour and people close to them from being exploited and force the gambling industry and lenders to be more responsible.

If you have any queries please do not hesitate to contact me. If you would like to call me by telephone my direct line is 020 8770 4865.

Yours sincerely



David Still
Manager