



## No more profiting from vulnerability – Ending credit card betting

February 2021

*The rich rule over the poor and the borrower is the slave of the lender.* – Proverbs 22:7

Theologian Kathryn Tanner, in her book *'The Politics of God'* (1992) pointed out that all people are valuable to God. As a result of being valuable to God, all people should have a right to minimum standards of well-being. In his work *'A Public Faith. How Followers of Christ Should Serve the Common Good'* (2011), theologian Miroslav Wolf made that case that if we believe that God is love and we are created for love, we will care for our neighbours' well-being for their own sake. He stated (p.71):

*Our concern will then be not just to lead life well ourselves. Instead, we will strive for life to go well for our neighbours and for them to lead their lives well, and we will acknowledge that their flourishing is tied deeply to our flourishing.*

Gambling businesses continue to profit from the vulnerability of people, particularly online gambling corporations. Australian law now prohibits online gambling corporations from offering credit to people to gamble. However, people can still gamble with money they do not have using bank-issued credit cards.

Gambling with credit is more likely to result in people being harmed. They can end up not only losing everything they have, but run up a debt of money they do not have. For that reason, being able to use credit for gambling is banned for most forms of gambling.

For many years people working with those harmed by gambling have been asking the banks to stop allowing their credit cards to be used for gambling purposes. While the four major banks have offered some forms of assistance to people being harmed by gambling, they have so far declined to stop extending credit for people to gamble online.

Commbank, NAB and Westpac do allow people to ask that they not be able to use their credit card to gamble. However, for people who are addicted to gambling, asking them to restrict their credit card voluntarily is less effective at preventing harm than never allowing the credit card to be used for gambling.

The ANZ will decline credit payments to gamble on its credit card when they reach 85% of their credit limit.

In contrast to the big four Australian banks, Macquarie Bank, Citibank, Suncorp, the Bank of Queensland and Bank Australia have implemented a position not to allow people to use credit cards for gambling.

### **Commbank fined \$150,000 for increasing the credit limit of a person being harmed by gambling.**

On 30 October 2020, the Federal Court imposed a fine of \$150,000 on Commbank (the Commonwealth Bank) for increasing the credit card limit of David Harris. He had told the bank he was being harmed by gambling. The increase in the credit card limit was a breach of the *National Consumer Credit Protection Act 2009*.

In October 2016, Mr Harris told the bank he was being harmed by gambling and did not wish to increase his credit limit until he could stop the gambling harm. The bank increased his limit from \$27,100 to \$35,100 on 20 January 2017.

Mr Harris then ran up a debt of \$35,706.91 on his credit card. He could not make the minimum repayment of \$699 per month. The judge in the case calculated that even if he could make the minimum repayments on the debt, it would have taken Mr Harris 137 years to pay it off.



To try to pay off the debt, Mr Harris worked six or seven days a week as a roofer. He became physically and mentally exhausted. He had trouble sleeping and began to suffer from depression and anxiety.

In late 2019, the Australian Banking Association (ABA) conducted a community consultation about using credit cards for gambling. [Its report](#)<sup>1</sup> on the consultation was released in December 2020. The ABA reported that most people who made submissions asked that credit cards for online gambling be prohibited. The ABA commented that online gambling allows people to gamble at any time and in any place. They accepted that for those vulnerable to gambling harm, these are "a particularly dangerous set of circumstances." The ABA declined to make any recommendations, but left it to its individual bank members to set their own position.

Following the ABA report, we have the opportunity to make the major banks aware that the broader community want them to act and end the use of the credit cards they issue for gambling.

### What You Can Do

Write polite and respectful letters to:

Mr Shayne Elliott  
Chief Executive Officer  
ANZ Banking Group Ltd  
GPO Box 537E  
Melbourne, Victoria, 3001

Mr Peter King  
Managing Director and Chief Executive Officer  
Westpac  
275 Kent Street  
Sydney NSW 2000

Salutation: Dear Mr Elliott

Salutation: Dear Mr King

Or you can fill out this online feedback page:  
<https://www.anz.com.au/support/contact-us/compliments-suggestions-complaints/feedback/>

Or you can fill out the online feedback form:  
<https://banking.westpac.com.au/olfmu/eforms/ConsumerFeedback/#/welcome>

Mr Ross McEwan CBE  
Group Chief Executive Officer  
National Australia Bank Limited  
Level 7, 700 Bourke Street  
Docklands  
Melbourne, Victoria, 3008

Mr Matt Comyn  
Managing Director and Chief Executive Officer  
Commonwealth Bank Group  
PO Box 2719  
Sydney, NSW, 2001

Salutation: Dear Mr Mc Ewan

Salutation: Dear Comyn

Or you can fill out this online feedback page:  
<https://www.nab.com.au/common/forms/complaints-compliments-feedback>

Or you can fill out this online feedback page:  
<https://www.commbank.com.au/digital/your-feedback#/feedback>

Points to make in your letters:

- Express deep concern at the level of harm that online gambling corporations are causing people, especially through allowing for credit betting.
- Welcome that they have taken action to assist people in hardship due to gambling using a credit card. However, ask that they follow the growing number of banks that no longer allow people to gamble on credit using the credit card issued by the bank.
- Point out that it is particularly risky for people to be able to gamble with money they do not have, in the form of credit. Note, that for that reason credit betting is banned for most forms of gambling.

<sup>1</sup> <https://www.ausbanking.org.au/policy/customers/vulnerable-customers/>