



No more profiting from vulnerability – Ending credit card betting

August 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 well-being standards. In his work *'A Public Faith. How Followers of Christ Should Serve the Common Good'* (2011), theologian Miroslav Wolf made the case that if we believe 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 bet with money they do not have using bank-issued credit cards. Gambling with credit is more likely to result in people being harmed. They cannot only lose everything they have but also 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.

In contrast, the 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.

Ladbrokes profits from credit card facilitated fraud.

On 8 June 2021, Jaicome Spinella was convicted of fraud and sentenced to four years in prison. Mr Spinella had run the company Bauen Concrete with his brother. Mr Spinella was solely responsible for the company's finances. Between December 2016 and July 2017, he fraudulently used a credit card issued to Bauen Concrete to gamble \$3,131,718 of the company's money through a betting account with the gambling corporation Ladbrokes. The transfers of money through the credit card were carried out in 571 transactions. As a result of the money lost to Ladbrokes, the Bauen Concrete was forced into liquidation on 25 July 2017. Bauen's 55 employees lost their jobs, and the company owed \$6.7 million to its 166 creditors.

Ladbrokes had targeted Mr Spinella with VIP offers. Internal e-mails between Ladbrokes staff revealed at the trial of Mr Spinella stated, "gamblers as bad as Jaicome come along once in a lifetime, so make sure we keep him on." Judge Michael Cahill said the Ladbrokes internal e-mails sounded like the gambling corporation had "groomed" Mr Spinella.

Bauen's receivers sued Ladbrokes to try and recover the proceeds of crime that Ladbrokes had profited from. Ladbrokes settled the legal action privately and insisted the settlement be kept secret.



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. However, 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.

Mr Harris worked six or seven days a week as a roofer to try to pay off the debt. 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](#)¹ 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.

There is currently a Parliamentary inquiry into the use of credit cards and digital wallets for online gambling. Centre Alliance Senator Stirling Griff also introduced a private member's Bill in the Senate to ban the use of credit cards for online gambling. The Queensland LNP Member of Parliament for the seat of Fisher, Andrew Wallace, has called for a voluntary code of conduct for banks to stop people gambling with credit. Online gambling corporation Tabcorp has publicly stated it would not oppose a ban on credit card betting. With all the attention on the issue, we believe it is a good time for community members to back a ban on credit card gambling.

What You Can Do

Write polite and respectful letters to:

The Hon Paul Fletcher MP

Minister for Communications, Urban
Infrastructure, Cities and the Arts
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

The Hon Scott Morrison MP

Prime Minister
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

Salutation: Dear Prime Minister

Salutation: Dear Minister

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 betting using credit cards and digital wallets.
- Point out that it is perilous for people 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 such as pokies and most casino gambling.
- Note the case of Mr Spinella, where Ladbrokes recklessly profited from credit card facilitated fraud that sent a construction company to the wall with the reported loss of 55 jobs.
- Ask that the Commonwealth Government implement a ban on credit card and digital wallet gambling.

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