

Review of Gaming Machines and Social Responsibility - Submission

Name:

Organisation: rethink gambling

Q1. What, if any, changes in maximum stakes and/or prizes across the different categories of gaming machines support the Government's objective set out in this document? Please provide evidence to support this position.

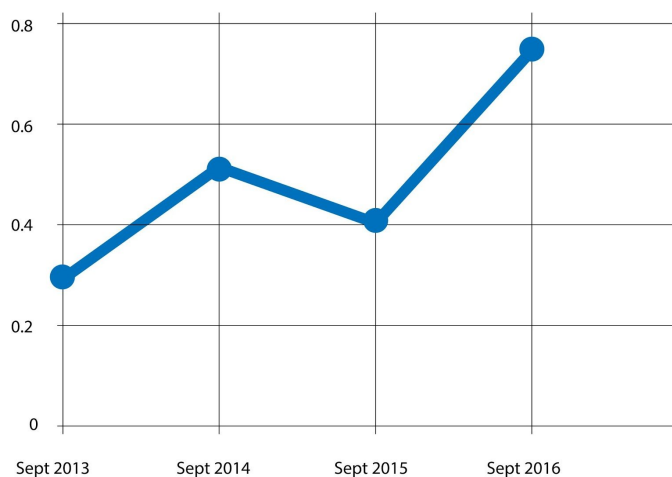
International evidence shows that:

- machine gambling is the most addictive form of gambling.
- 'problem gambling' and also gambling harm are driven by a combination of stake, speed (event frequency) and availability.

Gambling Commission data shows that problem gambling rates in the UK have more than doubled over 3 years.

<http://www.gamblingcommission.gov.uk/docs/Survey-data-on-gambling-participation-YEAR-TO-September-2016.xlsx>

Problem gambling rates (according to the short-form PGSI)



Source: Gambling Commission survey data, September 2016

The ABB and other gambling organisations often claim that problem gamblers gamble on a number of different products, to some extent this may be true in that when asked to tick which products they have ever gambled on from a list provided, they may tick more than one item.

Evidence from treatment and support providers shows that the product that is responsible for most harm is B2 gambling, particularly roulette content.

When I was receiving treatment in a rehabilitation unit provided by the Gordon Moody Association, eight out of the ten people receiving treatment at the time had an exclusive addiction to B2 roulette.

A chairman of a the Cheltenham Gamblers Anonymous group has also told me that 80% of new members have a B2 roulette addiction.

<https://twitter.com/Paddy196151/status/802190917746786304>

The GamCare 2015/16 statistics show the main gambling activity disclosed by callers was gaming machines in betting shops (23%).



“The main gambling activity disclosed by callers was machines in betting shops (23%)”

Offline Facility		2015/16	2014/15
Activity			
Arcades	Gaming Machines	2%	2%
Betting Shop	Betting	10%	12%
	Gaming Machines	23%	22%
	Not Disclosed	4%	3%
Betting Shop Total		37%	37%
Bingo Club	Bingo	0%	0%
	Gaming Machines	1%	1%
Bingo Club Total		1%	1%
Casino	Gaming Machines	1%	2%
	Table Games	4%	3%
	Not Disclosed	1%	1%
Casino Total		6%	6%
National Lottery		0%	1%
Scratchcards		3%	3%
Other		2%	3%
Offline Total		51%	53%

A 2011 Cambridge University study showed 60% of "problem gamblers" said B2s were their most problematic form of gambling.

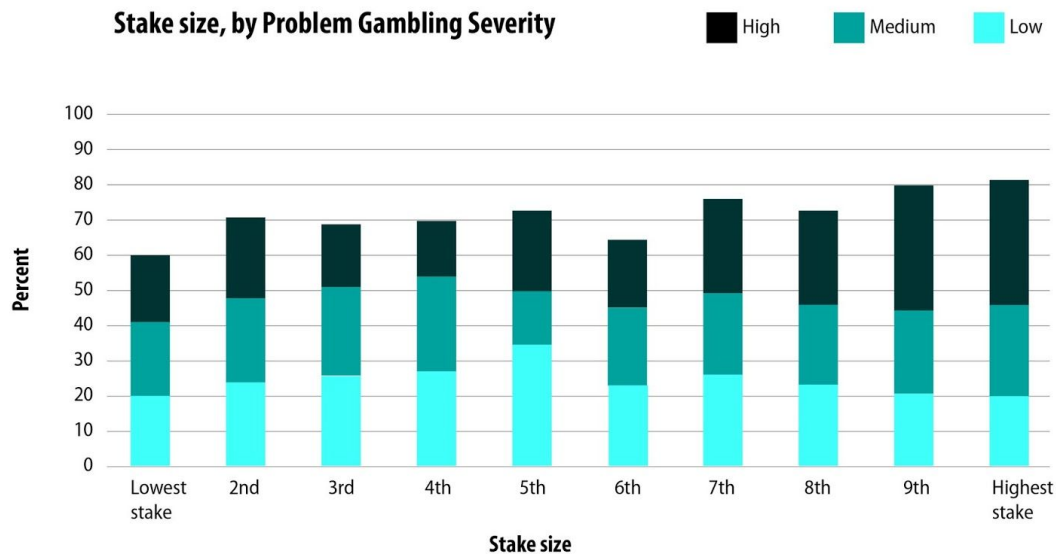
<https://www.cambridge.org/core/journals/psychological-medicine/article/impulsivity-and-cognitive-distortions-in-pathological-gamblers-attending-the-uk-national-problem-gambling-clinic-a-preliminary-report/62BC5C73BAA3EC04F1544081AC75A818>

The various forms of gambling that were played were assessed with a modified version of item 1 from the South Oaks Gambling Screen (SOGS; Lesieur & Blume, 1987); in addition, the PG participants were asked which form they considered most problematic for them. Sixty per cent of the PG group considered fixed odds betting terminals (FOBTs) to represent their problematic form of gambling. The other preferred games were sports betting (16%), internet poker or blackjack (7%), slot machines (10%), and casino games (7%). Convergent data were obtained from games played once a week or more (SOGS item 1) (individual participants may endorse more than one form, so the total does not sum to 100%): gaming machines (59%),

It seems unlikely that reducing stakes alone will reduce the incidence of problem gambling. Research commissioned by the Responsible Gambling Trust in 2014 has shown that problem gambling occurs across the whole range of staking levels.

<http://infohub.gambleaware.org/wp-content/uploads/2014/12/Report-2.pdf>

The figure below shows problem gambling rates at stakes per bet ranging from 53p to £13.40. It is important to understand that B2 content like roulette enables multiple bets per play and that the current maximum bet on a single number is £13.88.



Source: NatCen, Gambling machines research programme, Report 2: Identifying problem gambling – findings from a survey of loyalty card customers, 26.11.2014

A recent study commissioned by BACTA has suggested that a reduction of maximum stakes on B2 machines to £10 should be considered on a precautionary basis.

http://infohub.gambleaware.org/wp-content/uploads/2016/11/Research_Results_into_Effects_of_B2_Stake_Reduction.pdf

Our opinion is that this would lead to BACTA arguing that B2s should be allowed in pubs, service stations and AGCs.

The Campaign for Fairer Gambling says that stakes should be reduced to £2, which would in effect take B2 machines to a lower level than B3 machines as the speed (event frequency) of B3s is higher (every 2.5 seconds) than B2s (every 20 seconds).

If potential harm can be expressed as the potential loss per hour, B3 machines at a maximum stake level of £2 currently have a potential loss of £1440 per hour. Reducing the maximum stake on B2s to £2 would give a potential loss of £360 per hour. Reducing the maximum stake on B2s to £10 would give a potential loss of £1800 per hour.

We believe that a stake reduction without considering event frequency (speed) would have little effect on problem gambling and that the best way to reduce problem gambling and gambling harm would be to confine B2 machines to casino premises.

Q2. To what extent have industry measures on gaming machines mitigated harm or improved player protections and mitigated harm to consumers and communities? Please provide evidence to support this position

- improved staff training on social responsibility issues

Staff training may have been improved but my own and others experience in betting shops is that they staff are not intervening when people are displaying problems with their gambling (chasing losses, multiple debit card transactions, visits to cashpoints)

- measures on marketing of gambling products, specifically gaming machines

The current trend of removing all advertising from windows (see pic) is a retrograde step as it allows passers by to clearly see B2 machines visible in the windows and allows operators to by-step Senet Group commitments to 20% of window advertising being dedicated to responsible gambling messages i.e. no advertising so no responsible gambling messages displayed.



- cross industry self-exclusion schemes

Not much progress, they still rely on a system that relies on staff recognising self-excluded customers from photographs

- enhanced player monitoring
- time and spend limit options for players of B2 gaming machines.

Research shows that very low numbers set time or money limits. Players simply click through any messages as quickly as possible

http://about.gambleaware.org/media/1271/rgt-remote-gambling-research_pwc-phase-i_final.pdf

Q3. What other factors should Government be considering to ensure the correct balance in gaming machine regulation? Please provide evidence to support this position.

Enforce the The Gaming Machine (Circumstances of Use) Regulations 2007, Gaming machines should not be adapted for debit cards.

A screenshot of the legislation.gov.uk website. The page title is "The Gaming Machine (Supply &c.) Regulations 2007". Below the title, it says "2007 No. 2320 • Regulation 2". There are tabs for "Table of Contents", "Content", "Explanatory Memorandum", and "More Resources". The "Content" tab is selected. On the left, there is a "What Version" section with "Original (As made)" selected. Below that is "Opening Options" and "More Resources". The main content area shows the "Methods of Payment" section, which includes a status message and two paragraphs. Paragraph (1) states that a gaming machine shall not be supplied or installed if it is designed or adapted to permit money to be paid by means of a credit card or debit card. Paragraph (2) defines "credit card" and "debit card". The definition of "debit card" is highlighted with a red box.

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The Gaming Machine (Supply &c.) Regulations 2007

2007 No. 2320 • Regulation 2

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Previous: Provision Next: Signature Plain View Print Options

What Version

- Latest available (Revised)
- Original (As made)**

Opening Options

More Resources

- Original Print PDF
- View more

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Methods of Payment

2. (1) A gaming machine shall not be supplied or installed if it is designed or adapted to permit money to be paid by means of a credit card or debit card.

(2) In paragraph (1)—

(a) "credit card" means a credit-token within the meaning of section 14 of the Consumer Credit Act 1974(1); and

(b) "debit card" means a card enabling payment to be debited against a person's banking account, and which is not a credit card.

Q4. What, if any, changes in the number and location of current gaming machine allocations support the Government's objective set out in this document? Please provide evidence to support this position.

The Gambling Act 2005 provided for a regulatory pyramid where the 'hardest' gambling products were placed in environments with the highest supervision. We have ended up in a situation where one of the hardest gambling products available - B2 machines, is in one of the the least well supervised environments - betting shops. Casinos, which are accepted as the correct venue for harder gambling and have extremely high levels of supervision and regulation, have B1 machines which are limited to a maximum stakes of £5.

Betting shops traditionally relied on betting as a primary source of income. The introduction of B2 machines (which were introduced without any risk assessment or parliamentary debate) has allowed them to reduce their reliance on betting and their primary activity is now providing casino-style gambling via B2 and B3 machines.

<http://www.gamblingcommission.gov.uk/docs/Gambling-industry-statistics-April-2008-to-March-2016.xlsx> (see figure 1)

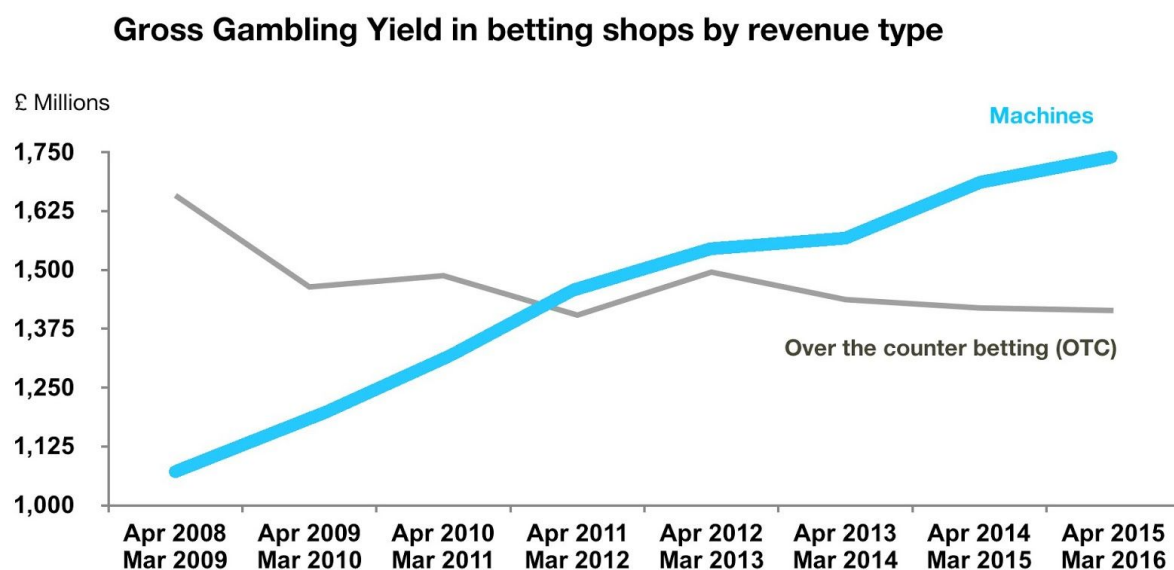


Figure 1.

The CEO of Ladbrokes has recently confirmed that gaming machines account for 84% of all money staked in Ladbrokes' stores.

<https://www.ft.com/content/d5f56a30-3ffa-11e5-b98b-87c7270955cf#axzz3iceiR6eK>

This increasing trend of reliance on gaming machines has enabled bookmakers to reduce staff to a bare minimum (often a single member of staff) and be very careful about reducing their exposure to risk by refusing bets from customers.

Many consumers report the difficulty of being able to place a bet.

<http://www.bbc.co.uk/news/business-34550617>

Betting shops have effectively become casinos.

The removal of B2 machines would allow betting shops to concentrate on their primary function, which is the provision of betting to consumers.

Conclusion - B2 machines should be confined to casinos only.

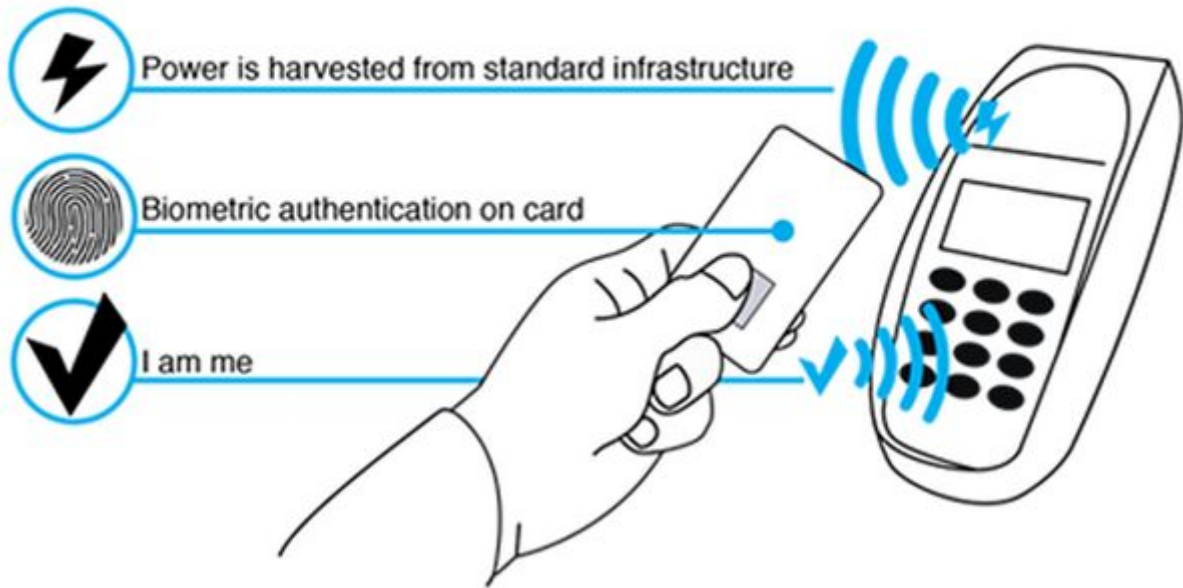
Q5. What has been the impact of social responsibility measures since 2013, especially on vulnerable consumers and communities with high levels of deprivation?

They seem to have had little or no effect on reducing harm to players or the communities they live in but no evidence to support this because research is underfunded due to the current voluntary arrangement that allows some operators to contribute nothing towards Research, Education and Treatment.

Q6. Is there anything further that should be considered to improve social responsibility measures across the industry? Please provide evidence to support this position.

Mandatory account based play in betting shops supported by biometric smart cards. This would solve multiple problems eg: underage gambling, money laundering and self-exclusion.

Self-exclusion, age verification, AML, pre-commitment, player tracking



Encourage banks to be part of the solution to self-exclusion:

Self-exclusion from online gambling

A simple answer would be to:



Change the law to require banks on request to block Merchant Category Card (MCC) 7995 gambling transactions

Banks already have the procedures in place to do this as online gambling is currently illegal in some jurisdictions eg. US, Norway, Sweden, Spain

Q7. Is there any evidence on whether existing rules on gambling advertising are appropriate to protect children and vulnerable people from the possible harmful impact of gambling advertising?

Allowing Bingo operators to advertise during the day is an anomaly that allows online casinos to advertise pre-watershed.

Q8. Any other relevant issues, supported by evidence that you would like to raise as part of this review but that has not been covered by questions 1-7?

The present system of financing gambling treatment, prevention and research through voluntary contributions from the gambling industry totalling £7 million administered by GambleAware, generates insufficient funds to realistically combat problem gambling.

It should be replaced by a mandatory levy, including a proportionate contribution from National Lottery takings, substantially increased to at least 1% of GGY (which would generate £130 million pa) and administered by a body that is completely independent of the industry. This is already provided for in Section 123 of the

Gambling Act 2005 (there is provision also under Schedule 3 to the Act, for the National Lottery to be made subject to levy requirements).

Treatment, prevention and research should be decoupled so that GambleAware no longer commission research and instead projects are selected by national research councils supported by ring-fenced revenue. This decoupling would enable a new knowledge base to grow and restore faith in the field. The current arrangements are completely inappropriate and contrary to best practice in alcohol and tobacco research.

twitter: www.twitter.com/rethinkgambling

website: www.rethinkgambling.org