



Department
for Culture
Media & Sport

Gambling Protections and Controls

April 2014

Foreword



The 2005 Gambling Act was introduced by the then Government with the aim of liberalising the gambling market in Great Britain. Nearly seven years on from the Act's implementation, the gambling industry has developed in innovative ways, with new products now marketed and made available on a greater scale than ever before.

We have already taken action to ensure regulation keeps pace with these developments. This Government has passed legislation extending the British system of gambling regulation to remote gambling operators based overseas. For the first time, all remote gambling operators wishing to transact with, or advertise to, British based consumers will require a Gambling Commission licence to do so, ensuring robust and consistent regulation.

But there is more to be done. In many local communities, concerns have been expressed about the clustering of betting shops on high streets.¹ These shops contain highly sophisticated gaming machines that now make up a greater proportion of revenue than over the counter betting.² In addition, we have seen significant growth in the scale of gambling advertising. The pervasive nature of such advertising means that both children and adults are exposed to a considerably greater amount of gambling advertising than ever before.³

The Government wants to give local communities a proper voice so their views are taken into account when plans for a new betting shop are submitted. Local planning authorities will in future be able to determine planning applications for new betting shops where there is a change of use. In addition, given the growth in marketing and promotion of virtual and electronic gambling, which present fewer opportunities for face to face interaction, I believe that new measures are necessary to ensure players are protected.

¹ Local Government Association, Rewiring Public Services, 2014

² Gambling Commission Industry Statistics, 2008 – 2013, Figure 8: Off Course Betting Sector Breakdown of GGY (£m).

³ Trends in Advertising Activity – Gambling, Ofcom 2013

Following a process of policy review, I am adopting a precautionary approach with targeted and proportionate action to protect players further when using high stake gaming machines on the high street. The measures set out in this document are intended to help customers stay in control. In line with the Government's Principles of Regulation, any new statutory regulations will be subject to an Impact Assessment which will assess the net cost to business and will be subject to independent scrutiny by the Regulatory Policy Committee. I expect changes to take effect from October 2014.

A handwritten signature in black ink, appearing to read 'Helen Grant', written in a cursive style.

Helen Grant MP
Minister for Sport, Tourism and Equalities

Planning and Localism

Some Local Authorities have expressed concerns about their ability to control the location and quantity of gambling premises and higher stake machines in their areas. In particular, a number of Local Authorities have raised concerns about the number of betting shops in their areas, and feel that they do not have the power to restrict new shops from opening.

Although the overall number of betting shops has remained relatively stable in recent years at around 9,000, local communities have expressed concern about a clustering of these shops in some areas⁴. It is important that the views of local communities are taken into account when a new betting shop is being considered, and it is right to give local residents an opportunity to make their voices heard.

As part of the Government's broader planning reform, a smaller planning use class containing betting shops will mean that in future where it is proposed to convert a bank, building society or estate agent into a betting shop, a planning application will be required. In addition, the Government will remove the ability for other premises such as restaurants and pubs to change use to a betting shop without planning permission. All changes of use to a betting shop will therefore require planning permission in future. The Department for Communities and Local Government will consult on the detail of these proposals as part of a wider consultation on change of use in summer 2014.

In addition, we want Local Authorities to feel empowered to protect their communities from the potentially harmful impacts that gambling can have by holding operators to their social responsibility commitments. The Government wants Local Authorities to make best use of the licensing and planning powers available to them.

We intend to promote new guidance to Local Authorities already being prepared by the Gambling Commission advising authorities how they can achieve this.

The Government intends to:

- Require a **planning application** for new betting shops where there is a change of use. This will return powers to local planning authorities, and enable them to consider the planning application in accordance with their local plan.
- Ensure betting shop operators set out how they plan to **comply with social responsibility codes** when applying for a gambling premises licence.

⁴ Local Government Association, Rewiring Public Services, 2014

Player Protection Measures

Gambling operators are already required to maintain certain standards of social responsibility. The Gambling Commission's Licence Conditions and Codes of Practice set out a number of social responsibility conditions which operators must comply with or face licence suspension, revocation or the imposition of a financial penalty.

However, it is clear that some people have encountered considerable problems with their gambling despite the obligations on operators to supervise their customers. A combination of high stakes and natural game volatility (where the player might be encouraged by the odd small win to put at risk high stakes) can generate significant losses in a short space of time⁵. We want players who use gaming machines to be in control of the choices they make. This is particularly important for users of category B2 gaming machines, where it is possible for individuals to place higher stakes.

For these reasons, the Government is adopting a precautionary approach to high stake gaming machines on the high street. Our measures are justified on a proportionate, targeted basis to help people remain in control of their gambling. At the heart of our approach are measures designed to give players better information, and to provide break points and pauses for thought to help people stay in control.

The Government intends to:

- **Require those accessing higher stakes (over £50) to use account-based play or load cash over the counter.** Requiring better interaction between customer and operator for those engaged in high stake play improves opportunities for more effective provision of information and interventions.

To support this measure Government wants:

- All larger betting shop operators to offer **account based play**. This will allow account holders to track and monitor their own play via statements, and enable targeted interventions in accordance with operators' licence conditions.

There are significant advantages to this approach. Account based play allows players access to up-to-date and accurate information which can reduce biased or irrational gambling-related decisions and help people maintain control⁶. The Government considers account summaries or activity statements may be a particularly effective way of giving clear

⁵ Gambling Commission formal advice to the Secretary of State for Culture, Media & Sport, 2013

⁶ Cashless and card-based technologies in gambling: A review of the literature, Gambling Commission, 2008

and accurate information regarding game play and patterns of net expenditure. We expect larger gambling operators to encourage take up among their customers.

Making payments over the counter rather than on to the machine directly can provide opportunities for intervention which may give players a reality check⁷. This approach emphasises consumer control which is particularly important given that some experts believe that a lack of control may be a determinant of problem gambling⁸. The Government also considers that pre-commitment (where players are required to make a decision about how much, or how long, they are willing to spend before beginning play) can be effective in helping customers to make clear and well-informed decisions about their gambling before they begin play, rather than when frustrated, disappointed, excited or chasing their losses.

The betting industry introduced new player protection measures on gaming machines from 1 March 2014. These measures include suspensions in play if voluntary limits are reached and alerts that tell players when they've been playing for 30 minutes or when £250 has been spent. While a step in the right direction, the Government believes measures which protect players and enhance supervision should be toughened and made mandatory.

The Gambling Commission is undertaking a review of its licence conditions and codes of practice with a view to:

- **Requiring** all players of fixed odds betting terminals to be presented with a choice to set limits before play.
- Ensuring **regular warning messages and pauses in play** on gaming machines in betting shops to prompt players to actively consider their behaviour, and help them to remain in control.
- Working with industry to oversee the introduction of an **advanced system of voluntary self-exclusion**. This will allow customers to make a single request to exclude themselves from betting shops on a wider basis than is currently possible.

The Government fully supports the Gambling Commission in its review of licence conditions and codes of practice. It is anticipated that changes brought forward as a result of the Gambling Commission's review of licence conditions and codes of practice will be implemented from autumn 2014. The Government will prepare the necessary impact assessment and regulatory measures to implement these changes. We expect changes to take effect from October 2014.

^{7,8} Cashless and card-based technologies in gambling: A review of the literature, Gambling Commission, 2008

Gambling Advertising

The codes which govern gambling advertising are now applied across a much changed gambling landscape with the availability and promotion of new products which were not anticipated when the codes were devised. It is timely that the codes are re-examined to ensure that existing controls keep pace with developments in the market, provide adequate protection – especially to children and the vulnerable – and remain consistent with public expectations about gambling advertising.

There is some evidence that gambling advertising may maintain or exacerbate already existing gambling problems.⁹ The Government wants the industry and its regulators to carefully reconsider whether the tone, content and volume of gambling adverts is appropriate for general audiences and meets societal expectations, especially where adverts offer financial inducements or encourage ‘in play’ and other instantly accessible online gambling.

The Government has initiated the following work:

- The Remote Gambling Association will make recommendations to Government on any changes needed to the industry voluntary code, including on the suitability of the **9pm watershed arrangements**.
- The Committee of Advertising Practice and the Broadcast Committee of Advertising Practice will evaluate the latest evidence in relation to gambling advertising and problem gambling to consider **what regulatory implications** arise as a result.
- The Advertising Standards Authority will report on the proportionality, robustness and consistency of its **enforcement action** on the gambling rules.
- The Gambling Commission will ensure that its current review of licence conditions and codes of practice (which includes a focus **on free bets and bonuses**) ensures that all gambling advertising continues to comply with the licensing objectives of the Gambling Act 2005.

This work will be complete by the end of 2014. The Government retains powers under the Gambling Act 2005 to make regulations about gambling advertising.

⁹ Gambling Advertising: A Critical Research Review, Report Prepared by Per Binde for the Responsible Gambling Trust, 2014

Education

The young are confronted with more opportunities to gamble than ever before. These opportunities arise through online gambling and are increasingly marketed online and via social media, as well as bricks and mortar outlets found on the high street. In addition, young people are offered social gambling on social network internet sites and mobile devices, which offer activities similar to gambling where significant amounts of time or money can be spent (although money or money's worth cannot be won).

We know that problem gambling – whilst relatively low in the UK – is highest amongst the 16-24 age group and therefore we must do more to help younger people prepare and educate themselves around how to engage with such activities in a socially responsible way. And we look to the industry to do more to protect those under age from exposure to gambling promotions.

The Government will:

- Establish a £2 million programme funded by industry to promote responsible gambling, launching in the summer of 2014.
- Work with the industry to explore how a **Think 25** initiative could help prevent under age access to gambling products across the gambling landscape.



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