

**Association of British Bookmakers submission to the Department
for Culture, Media and Sport Review of Gaming Machines and
Social Responsibility Measures - Call for Evidence.**

FULL RESPONSE

December 2016

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.

1. Introduction:

- 1.1 For the purposes of answering this question, the ABB understands the Government's objective to be "...to look across the industry and determine what, if any, changes are needed to strike the right balance between socially responsible growth and the protection of consumers and wider communities."
- 1.2 Based on this objective, the ABB contends that there should be no change in the current levels of maximum stakes and prizes in relation to B2 and B3 category machines that are located in licensed betting offices (LBOs). Further, we contend that maximum stakes and prizes associated with categories of machine not located in LBOs should also be maintained at current levels. We set out the reasoning underpinning this position in the following sections.

2. Maintaining maximum stakes and prizes on gaming machines

The impact of inflation on maximum stakes and prizes on Category B2 and B3 machines

- 2.1 Previous Triennial Reviews of Stakes and Prizes were primarily designed to ensure machine stakes and prizes kept pace with inflation and that customer appeal was not unnecessarily diminished.
- 2.2 Inflation has significantly eroded the maximum stake and prize levels on B2 machines since they came into effect in 2004. The maximum stake of £100 introduced in 2004 would now be equivalent to £142.67 had stakes kept pace with inflation¹. Similarly the maximum prize on a B2 machine would be £713.36 in today's money.
- 2.3 Despite this, the ABB acknowledges that inflation over the last three years has averaged only 0.4% per annum (CPI/ONS) and continued growth in Gross Gambling Yield (GGY) over the past 3 years from all categories of gaming machine across the industry suggests that current stakes and prizes are not limiting appeal or innovation.
- 2.4 On this basis, we contend that this is not the appropriate time to increase stakes and prizes on any licensed gaming machine, including B2 and B3 gaming machines located in LBOs.

Pressure to reduce stakes and prizes for Category B2 machines

- 2.5 Despite the impact of inflation on maximum stakes and prizes on B2 machines, the ABB is aware that there are suggestions that a decrease in stakes and prizes on these machines may support the Government's objective protecting consumers and wider communities. The ABB does not consider that a reduction in B2 stakes or prizes will help achieve these objectives and strongly contends that B2 stakes and prizes should be maintained at current levels.

¹ Historic inflation calculator: how the value of money has changed since 1900, *Daily Mail*, <http://www.thisismoney.co.uk/money/bills/article-1633409/Historic-inflation-calculator-value-money-changed-1900.html>

3. Evidence supporting the maintenance of current B2 maximum stake and prize

- 3.1 The ABB believes that maintaining stakes and prizes on machines is justified on the basis of two key factors:
- It can be shown that there is no correlation between the increased number of B2 machines over time and levels of at-risk and problem gambling during the same period and;
 - B2 machines do not cause increased harm to problem gamblers, even if the actual number of problem gamblers is not influenced by B2 machines
- 3.2 In subsequent sections, the ABB provides evidence to support both these statements and also considers the levels of player protection in an LBO environment relative to other gaming/gambling environments.
- 3.3 We deal in section 6 with the financial implications for the LBO sector of a reduction in stakes on B2 machines and consequential impacts.
- 3.4 The ABB notes the Government's comments in the 2013 Triennial Review of Gaming Machine Stake and Prize Limits, that "Both the Gambling Commission and RGSB advise that a precautionary reduction in stakes is currently unsupported by the available evidence. However, both are equally clear that there is a serious case to answer in relation to B2 machines. The RGSB have set out a number of significant knowledge gaps that must be filled, and note that the current lack of transparency around the impact of B2 gaming machines is something that the industry must address. The Commission and RGSB were clear that if this did not happen, the Government might reasonably act on a precautionary basis anyway"². The ABB contends that the industry has addressed the knowledge gaps that existed and that cogent and compelling evidence is now available to support the maintenance of the current levels of stakes and prizes on B2 machines.

² DCMS, *Gambling Act 2005: Triennial Review of Gaming Machine Stake and Prize Limits | Government Response to Consultation on Proposals for Changes to Maximum Stake and Prize Limits for Category B, C and D Gaming Machines*, October 2013, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/249311/Government_Response_to_Consultation_on_Gaming_Machine_Stake_and_Prize_Limits_FINAL.docx.pdf

4. There is no correlation between the increased number of B2 machines over time and levels of at-risk and problem gambling during the same period

Absolute numbers of at-risk gamblers:

- 4.1 The most recent figures for the percentage of the population “at risk” of problem gambling were published in 2014 and use the PGSI system³. “At-risk” is classed as being at ‘low’ or ‘moderate’ risk (PGSI scores of 1-2 or 3-7 respectively), and is described as individuals having ‘some difficulty’ with gambling.
- 4.2 In 2014, 4.2 % of the adult population were classified as at-risk gamblers with 3.2% being identified as low risk and 1% moderate risk⁴. This is a decline from 2010, when the percentage of the adult population identified as at-risk was 7.3% (5.5% low and 1.8% moderate). In 2007, 6.5% of adults were classed as being at-risk (5.1% low and 1.4% moderate)⁵.
- 4.3 Thus, the percentage of the adult population viewed at-risk or having “some difficulty” with their gambling declined during the period of strongest growth in B2 gaming machine numbers and B2 GGY. While the ABB does not seek to suggest that there is a causal relationship between the introduction of B2 machines and the decline in the number of individuals at risk of problem gambling, we would strongly contend that the decline in at-risk does demonstrate that B2 machines do not increase the number of at risk players.
- 4.4 A major study published this year for the Government of New Zealand (True and Cheer, 2016) found that there was no evidence linking gambling machines to problem gambling and that despite the increase in gambling machines in New Zealand during 1991 and 1999, problem gambling declined considerably; and that in contrast, the problem rate increased between 2001 and 2006 despite a significant fall in number of machines⁶.

Absolute numbers of problem gamblers

- 4.5 Current problem gambling levels in the UK are stable and there has been no material increase in the period since B2 gaming machines have been available in betting shops, following their introduction in 2001.

³ Wardle, Seabury, Ahmed, Payne, Byron, Corbett, and Sutton, *Gambling behaviour in England and Scotland: Findings from the Health Survey for England 2012 and Scottish Health Survey 2012*, NatCen, June 2014
<http://www.gamblingcommission.gov.uk/pdf/gambling%20behaviour%20in%20england%20scotland%2010072014.pdf>

⁴ Ibid.

⁵ Wardle, Moody, Spence, Orford, Volberg, Jotangia, Griffiths, Hussey, and Dobbie, *British Gambling Prevalence Survey 2010*,
<http://www.gamblingcommission.gov.uk/PDF/British%20Gambling%20Prevalence%20Survey%202010.pdf>

⁶ True, and Cheer, *Gaming Machines Gambling Statistics and Research Paper – Information for Territorial Authorities (New Zealand)*, (2016)

- 4.6 In 1999, under the DSM-IV problem gambling categorisation, 0.6% of the population were problem gamblers with a confidence interval around this estimate at 0.4% to 0.8%⁷. The combined results from the Health Survey for England 2012 and Scottish Health Survey 2012⁸ provide the most recent comprehensive and robust problem gambling statistics for the majority of the UK and are relied upon by the DCMS⁹. The report found that problem gambling prevalence according to the Diagnostic and Statistical Manual of Mental Disorders (DSM-IV) was 0.5% of adults living in households in England and Scotland, and when scored by the Problem Gambling Severity Index (PGSI) suggest an equivalent figure of 0.4%. When the results of the last British Gambling Prevalence Survey in 2010 are also taken into consideration, which found a problem gambling level of 0.7% using PGSI, it can be shown that problem gambling rates have remained stable.
- 4.7 More recent data is available for Scotland and Wales. The Scottish Health Survey¹⁰ found that 0.7% of respondents were identified as problem gamblers by either PGSI or DSM-IV, and the Welsh Problem Gambling Survey 2015¹¹ found that 1.1% of respondents were identified as problem gamblers by either PGSI or DSM-IV. As this is the first time problem gambling has been surveyed in Wales it is not possible to compare this data over time as we can with data from Scotland and England. The next Health Survey for England results on problem gambling are expected in spring 2017, according to the Gambling Commission¹².
- 4.8 The Gambling Commission has also recently begun to monitor problem gambling levels through its quarterly gambling participation survey, though these results are based on the short form PGSI score only and as such should be treated with caution (in line with Gambling Commission advice¹³). However, the results point towards there being no material increase in problem gambling, with the year to date results up to September 2016¹⁴ showing a problem gambling level of 0.7% amongst respondents.

⁷ Sproston, Erens & Orford, *GAMBLING BEHAVIOUR IN BRITAIN: Results from the British Gambling Prevalence Survey*, (2000)

<http://www.gamblingcommission.gov.uk/pdf/Gambling%20behaviour%20in%20Britian%20results%20from%20the%20BGPS%202000%20-%20Jun%202007.pdf>

⁸ Wardle, Seabury, Ahmed, Payne, Byron, Corbett, and Sutton, *Gambling behaviour in England and Scotland: Findings from the Health Survey for England 2012 and Scottish Health Survey 2012*, NatCen, June 2014

<http://www.gamblingcommission.gov.uk/pdf/gambling%20behaviour%20in%20england%20scotland%2010072014.pdf>

⁹ <https://www.gov.uk/government/publications/dcms-single-departmental-plan-2015-to-2020/single-departmental-plan-2015-to-2020>

¹⁰ Gambling Commission, *Scottish Health Survey 2015*, available at:

<http://www.gamblingcommission.gov.uk/Press/2016/Latest-health-survey-data-highlights-gambling-participation-and-problem-gambling-rates-in-Scotland.aspx>

¹¹ Gambling Commission, *New survey data highlights gambling participation and problem gambling rates in Wales*, September 2016, <http://www.gamblingcommission.gov.uk/Press/2016/New-survey-data-highlights-gambling-participation-and-problem-gambling-rates-in-Wales.aspx>

¹² Gambling Commission, *New survey data highlights gambling participation and problem gambling rates in Wales*, September 2016, <http://www.gamblingcommission.gov.uk/Press/2016/New-survey-data-highlights-gambling-participation-and-problem-gambling-rates-in-Wales.aspx>

¹³ Add reference to GC note

¹⁴ <http://www.gamblingcommission.gov.uk/docs/Survey-data-on-gambling-participation-YEAR-TO-September-2016.xlsx>

	British Gambling Prevalence Survey 1999	British Gambling Prevalence Survey 2010	Health Survey for England 2012 and Scottish Health Survey 2012	Scottish Health Survey 2015	Welsh Health Survey 2015	Gambling Commission YTD results up to September 2016
DSM-IV score	0.6%	0.9%	0.5%	0.7%	1.1%	-
PGSI score	-	0.7%	0.4%	0.7%	1.1%	0.7% (short-form PGSI score)

4.9 Given that the number of B2 gaming machines increased from the time of their introduction in 2001 to the point where there were 34,684 B2 machines in 2015/2016, the ABB contends there is no correlation between the increased number of machines and the relatively flat level of problem gambling.

4.10 Given the relatively stable level of overall problem gambling, there could only be a link between B2 machines and problem gambling if problem gambling levels would otherwise have fallen, without the introduction of B2 machines in 2001. In the absence of any evidence to suggest successful measures in other areas of gambling to reduce problem gambling and the very significant increase in online gambling, the ABB contends that it is inconceivable that the introduction of B2 machines has masked what would have otherwise been a decline in problem gambling. Further, the ABB is not aware of any evidence to support this view.

5. **B2 machines do not cause increased harm to problem gamblers, even if the actual number of at-risk or problem gamblers is not influenced by B2 machines**

5.1 We provide insights into B2 and B3 gaming machines in bookmakers and insights into typical player behaviour on B2 and B3 gaming machines in Appendix 3.

5.2 We have established that there is no correlation between the increased number of B2 machines over time and levels of at-risk or problem gambling during the same period. To further justify the maintenance of B2 maximum stake and prize limits and meet the Government's objective of protecting consumers and wider communities, we provide evidence that current stake and prize levels on B2 machines do not increase harm to the numerically relatively stable, cohort of problem gamblers.

Relative risk to problem gamblers of B2 machines

5.3 In order to demonstrate that B2 machines do not cause increased harm to problem gamblers, it is necessary to consider both the nature of B2 machine play and the risk profile of other gaming machines.

5.4 The higher potential staking levels on B2 machines, relative to other gaming machines, are often cited as providing the potential for greater harm and this occasionally leads to the

suggestion that lower stakes on B2 would reduce the levels of losses from machine gambling and therefore reduce harm (including harm to problem gamblers).

- 5.5 However, this is only a partial view of the factors that lead to losses on gaming machines. In fact, potential losses are a complex combination of staking level, speed of play (known as minimum game cycle) and the proportion of stake returned to the player as winnings over time (Return to Player or RTP). The table below sets out average losses by customers (described as “gross win”) per minute for a range of gaming machines licensed by the Gambling Commission.

	Game Type	Category	Margin %	RTP %	Stake	Minimum Game cycle (secs)	Gross win per minute
Maximum Stakes	B1 Games	B1	7.00%	93.00%	£5.00	2.5	£8.40
	B2 Standard Roulette (Account or loaded OTC)	B2	2.70%	97.30%	£100.00	20	£8.10
	B2 Standard Roulette	B2	2.70%	97.30%	£50.00	20	£4.05
	B3 Games	B3	7.70%	92.30%	£2.00	2.5	£3.70
Average Stakes	B2 Roulette	B2	2.70%	97.30%	£19.66	20	£1.59
	B3 Games	B3	9.00%	91.00%	£0.75	2.5	£1.61
Pub Cat C	25p Cat C Games	C	22.00%	78.00%	£0.25	2.5	£1.32
	50p Cat C Games	C	22.00%	78.00%	£0.50	2.5	£2.64
	£1 Cat C Games	C	22.00%	78.00%	£1.00	2.5	£5.28
Arcade Cat C	25p Cat C Games	C	13.00%	87.00%	£0.25	2.5	£0.78
	50p Cat C Games	C	13.00%	87.00%	£0.50	2.5	£1.56
	£1 Cat C Games	C	13.00%	87.00%	£1.00	2.5	£3.12

- 5.6 The table demonstrates that on a B2 machine an average stake of £19.66 per spin, 3 times per minute (20 seconds per spin) would on average incur a loss to the customer of £1.59. Staking on a category C machine £1 per spin, 24 times per minute (2.5 seconds per spin) would on average incur a loss of £5.28 to the customer – more than treble the loss on a B2 machine.
- 5.7 It is also worth noting that to replicate the average rate of loss achieved on a £1 category C game in a pub where alcohol is served, the average stake per minute on B2 standard roulette would have to be in excess of £65.

5.8 The tables below show the equivalent B2 stake needed to match the rate of loss on B3, Cat C machines in arcades and Cat C machines in pubs at varying staking levels.

B3 Rate of Loss by Stake vs Equivalent B2 Stake				
Stake	Duration (s)	Average RTP	Rate of Loss	Equivalent B2 Stake*
£0.25	2.5	87.0%	£0.78	£9.64
£0.50	2.5	90.2%	£1.17	£14.47
£1.00	2.5	91.4%	£2.06	£25.45
£2.00	2.5	92.3%	£3.69	£45.51

*Equivalent B2 stake calculated at 97.3% RTP

Cat C (available in arcades) Rate of Loss by Stake vs Equivalent B2 Stake				
Stake	Minimum Game Cycle (secs)	RTP (%)	Rate of Loss	Equivalent B2 Stake
£0.30	2.5	87.0%	£0.94	£11.56
£0.50	2.5	87.0%	£1.56	£19.26
£1.00	2.5	87.0%	£3.12	£38.52

Cat C (available in pubs) Rate of Loss by Stake vs Equivalent B2 Stake				
Stake	Minimum Game Cycle (secs)	RTP (%)	Rate of Loss	Equivalent B2 Stake
£0.30	2.5	78.0%	£1.58	£19.56
£0.50	2.5	78.0%	£2.64	£32.59
£1.00	2.5	78.0%	£5.28	£65.19

5.9 B2 roulette comprises approximately 76% of all games played on machines in bookmakers and a £500 maximum prize limit on B2 machines by default limits stakes on any combination of bets to odds of 5 to 1 and the total maximum stake on a single number is £13.88 at odds of 35 to 1.

5.10 Further, the manner in which individuals play B2 roulette and the facility that roulette provides to de-risk play. The majority of customers choose to reduce their own volatility by covering multiple numbers and on average they cover 18 out of the possible 37 numbers on the board¹⁵. The following table shows how, at higher stake levels, players tend to cover more of the roulette board and thereby reduce the amount of money “at risk” for each spin. Short term volatility is a further important factor in influencing the outcome of a player session on a gaming machine:

		% of board covered									
Stake >	Stake <=	> 90%	> 80%	> 70%	> 60%	> 50%	> 40%	> 30%	> 20%	> 10%	> 0%
£0	£5	4.3%	6.4%	9.5%	16.6%	25.8%	37.9%	53.8%	70.8%	86.1%	100.0%
£5	£10	5.3%	12.0%	19.4%	33.2%	48.5%	61.4%	76.6%	88.1%	94.9%	100.0%
£10	£15	9.1%	18.8%	28.8%	44.5%	60.3%	71.1%	83.2%	91.7%	96.6%	100.0%
£15	£20	8.7%	17.6%	26.4%	40.2%	54.4%	65.2%	78.3%	89.1%	96.0%	100.0%
£20	£25	12.2%	24.5%	35.4%	50.6%	64.6%	74.2%	85.2%	93.2%	97.4%	100.0%
£25	£30	11.7%	23.6%	33.9%	48.5%	62.5%	72.4%	84.3%	93.0%	97.6%	100.0%
£30	£35	13.7%	26.5%	37.2%	51.9%	65.8%	75.4%	86.8%	94.6%	98.5%	100.0%
£35	£40	10.2%	20.5%	29.6%	43.7%	58.4%	69.5%	83.0%	93.0%	98.2%	100.0%
£40	£45	12.7%	24.4%	34.2%	48.3%	62.2%	72.3%	84.4%	93.3%	97.5%	100.0%
£45	£50	7.9%	15.3%	22.4%	34.3%	48.5%	60.4%	76.9%	90.8%	98.4%	100.0%
£50	£55	13.8%	25.1%	35.2%	50.2%	64.1%	73.4%	84.4%	92.6%	96.4%	100.0%
£55	£60	11.9%	22.0%	31.2%	45.5%	60.2%	70.8%	84.2%	94.5%	100.0%	100.0%
£60	£65	13.7%	25.6%	36.1%	50.6%	64.5%	74.2%	85.1%	94.5%	100.0%	100.0%
£65	£70	11.6%	21.6%	30.7%	44.6%	58.1%	67.9%	80.4%	90.6%	100.0%	100.0%
£70	£75	12.0%	23.3%	34.2%	49.3%	65.3%	75.8%	88.4%	97.4%	100.0%	100.0%
£75	£80	10.8%	20.9%	29.9%	43.8%	59.5%	71.1%	86.4%	96.8%	100.0%	100.0%
£80	£85	11.4%	21.9%	31.2%	45.6%	60.1%	71.0%	85.3%	95.4%	100.0%	100.0%
£85	£90	10.9%	21.6%	31.3%	45.4%	62.1%	72.8%	88.9%	98.6%	100.0%	100.0%
£90	£95	10.4%	20.3%	29.9%	44.0%	58.7%	68.7%	84.2%	96.4%	100.0%	100.0%
£95	£100	6.1%	12.0%	18.6%	30.2%	45.8%	58.4%	79.9%	98.9%	100.0%	100.0%

¹⁵ SG and Inspired Dataset

- 5.11 The table above demonstrates that at higher stakes customers are reducing their volatility by increasing the percentage of the board covered. In contrast, for B3 games and Cat C, the customer is unable to control the volatility of the game as there is no ability to 'spread' bets across multiple potential outcomes. Any change in stakes or prizes on B2 machines that leads players to move from B2 to B3 or slots games will significantly reduce the ability of customers to manage the volatility of games that they play.
- 5.12 The ABB contends that B2 games are unlikely to result in increased losses for either problem or non-problem gamblers compared to other gaming products which have a lower average stake, but significantly shorter game cycle and lower RTP. The high RTP and slower spin cycles significantly offset the higher staking potential of B2 machines. Similarly, the nature of the games on B2 (primarily roulette) allow customers to reduce and set the levels of risk that are appropriate to their circumstances in a manner that is not possible on slots type games.
- 5.13 The ABB further contends that any reduction in maximum stake levels permitted on B2 machines would likely see substitution behaviours on the part of customers (including a proportion of problem or at risk gamblers), with a number moving from B2 roulette play to slots in LBOs, Online, Adult Gaming Centres or public houses. As we set out in section 6 below, we do not consider that this would be a desirable outcome and contend it could significantly undermine the Government's objective of protecting consumers and communities.

Third Party Evidence to Support this Conclusion

- 5.14 This conclusion is supported by analysis of loyalty card customers' data published by NatCen in May 2016, which showed that losses amongst predominantly B3 players were larger than those who mostly played B2 only or mixed player-sessions; due in part to the lower RTP on B3 games and the increased engagement of those players, who play more sessions on average a week.¹⁶
- 5.15 Additionally, the extensive programme of research commissioned by the Responsible Gambling Trust (now Gamble Aware) between 2014 and 2016, into B2 gaming machines in bookmakers, has consistently shown that problem gambling is complex and varies for different people under different circumstances; and that focusing on a single variable, such as stake size, will not lead to significant improvement in the detection rate of problem gamblers or the minimisation of gambling related harm.¹⁷
- 5.16 Nor does reliance on a single variable, such as stake size, help meet the government's objective of minimising gambling related harm whilst at the same time supporting socially responsible growth. Having analysed a number of different variables, including gambling frequency, average stake size per bet, and number of gaming machine sessions, researchers concluded that it was not possible to achieve a suitable balance between sensitivity (accurately identifying problem gamblers) and specificity (ensuring only a low proportion of non-problem gamblers are impacted) when applying single measures.¹⁸

¹⁶ <http://about.gambleaware.org/media/1259/natcen-secondary-analysis-of-loyalty-card-survey-final.pdf>

¹⁷ <http://about.gambleaware.org/media/1225/report-2-identifying-problem-gambling-findings-from-a-survey-of-loyalty-card-customers.pdf/> and <http://about.gambleaware.org/media/1171/report-3-predicting-problem-gambling-final.pdf>

¹⁸ p.101-105 <http://about.gambleaware.org/media/1225/report-2-identifying-problem-gambling-findings-from-a-survey-of-loyalty-card-customers.pdf>

- 5.17 Aspects of the extensive B2 research carried out to date were also specifically aimed at addressing the question of the impact of £100 maximum stakes on players. No evidence of a link between use of the £100 maximum stake and problem gambling was found. As well as use of the £100 stake being very rare – only 0.26% of all stakes were at £100 – players who place £100 bets are shown to be distributed proportionately across problem and non-problem gamblers.
- 5.18 When examining which variables are beneficial in helping identifying problem gamblers on machines, the researchers found that problem gamblers exhibit more chaotic behaviours and they are less consistent with choice of stake levels or amounts of money loaded, so a focus on stake size would not effectively address gambling related harm.¹⁹
- 5.19 Further, lower stakes do not offer increased harm minimisation for consumers, as has been evidenced in research by the University of Lincoln, which looked at stake size and the impact on control. Although the research was limited particularly by being carried out in laboratory settings, the researchers found that decision making was impaired at lower as well as higher stakes, even as low as £2.²⁰
- 5.20 While NatCen suggested that 23 per cent of machine users may be problem gamblers it is important to note that this figure was derived from a sample of loyalty card holders only. The researchers specifically cautioned that no extrapolation could or should be made to the wider gambling population: “It should be remembered that loyalty card survey participants were highly engaged in gambling and therefore these estimates are not representative of all machine players”²¹.
- 5.21 Similarly, the same report established that there was no causal link between machine play and problem gambling. The research showed that a third of problem gamblers identified had participated in 7 or more gambling activities in the previous four weeks and over half had participated in 5 or more activities in the same period. The ABB contends that this provides strong evidence that restrictions on B2 machines will simply lead to displacement behaviours with problem gamblers moving their play to other forms of gambling²².

¹⁹ <http://about.gambleaware.org/media/1261/featurespace-secondary-analysis-of-machines-data-final.pdf>

²⁰ <http://about.gambleaware.org/media/1173/the-role-of-stake-size-in-loss-of-control-in-within-session-gambling.pdf>

²¹ Wardle, Excell, Ireland, Ilic and Sharman, *Gambling machines research programme: Report 2: Identifying problem gambling – findings from a survey of loyalty card customers*, NatCen, November 2014, <http://www.rgtinfohub.org.uk/wp-content/uploads/2015/10/report-2-identifying-problem-gambling-findings-from-a-survey-of-loyalty-card-customers.pdf>

²² Wardle, Excell, Ireland, Ilic and Sharman, *Gambling machines research programme: Report 2: Identifying problem gambling – findings from a survey of loyalty card customers*, NatCen, November 2014, Table 5.4, page.59 <http://www.rgtinfohub.org.uk/wp-content/uploads/2015/10/report-2-identifying-problem-gambling-findings-from-a-survey-of-loyalty-card-customers.pdf>

6. ABB commissioned research by KPMG into the economic implications of reductions to maximum stakes on B2 gaming machines

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7. Providing a safe environment in which to gamble

- 7.1 Although the evidence shows that B2 gaming does not constitute a significantly higher risk than other forms of gaming, it has been stated that play on B2 category machines constitutes a “hard” form of gambling, with the implicit suggestion that B2 gaming may not be appropriate in Licensed Betting Offices relative to other venues.
- 7.2 The ABB contends that Licensed Betting Offices provide the best location for B2 machines on the basis of the very strict voluntary measures and regulations that apply to LBOs. The tables below sets out the measures that apply in LBOs relative to other licensed premises:

Trade body / measures in place	ABB member LBOs	ABB non-member LBOs	Adult Gaming Centres	Casinos
Responsible gambling training for staff	✓	✓	✓	✓
Multi-operator self-exclusion	✓	✓	✓	✓
Limit setting on all gaming machines	✓	✓	✗	✗
Mandatory time and spend alerts on all gaming machines	✓	✓	✗	✗
Responsible gambling messaging on all gaming machine top screens	✓	✓	✗	✗
No gaming machine advertising in venue windows	✓	✗	✗	✗
No ATM on premises	✓	✗	✗	✗
Alcohol served on premises	✗	✗	✗	✓

- 7.3 On the basis of data in the tables above, the ABB contends that Licensed Betting Offices should be viewed as being one of the safest places to gamble and as having the most extensive player protection measures of any gambling/gaming environment.
- 7.4 It is also on this basis, and the basis of evidence around average loss rates on machines, that the ABB contends that there should not be an increase in maximum stakes and prizes associated with machines that are not located in licensed bookmakers.

8. Conclusions

- 8.1 The ABB contends that maximum stakes and prizes should be maintained at current levels for all machines currently forming part of the Government’s review.
- 8.2 While inflation has significantly reduced the maximum levels of stakes and prizes on B2 machines over time, we consider that current relatively low levels of inflation, combined with stable/increasing GGY on gaming machines mean that this review is not the correct point in time to adjust stake and prize levels on any gaming machines.
- 8.3 The higher potential staking levels on B2 gaming machines, relative to other gaming machines, is often cited as providing the potential for greater harm and occasionally leads to the suggestion that lower stakes on B2 would reduce levels of losses and therefore reduce harm.

This is only a partial view of the factors that lead to losses on gaming machines. In fact, potential losses are a complex combination of staking level, speed of play, and the proportion of stake returned to the player over time.

- 8.4 Evidence suggests there is no correlation between the increase in numbers of B2 machines over the past 15 years and at-risk or problem gambling rates.
- 8.5 Evidence suggests that B2 machines cause no greater harm to problem gamblers relative to other machines.
- 8.6 LBOs are the best location for B2 machines as a consequence of high levels of voluntary and mandatory responsible gambling measures.
- 8.7 Based on evidence regarding average losses on B3 and Cat C machines and the relative lack of responsible gambling measures on machines in non-LBO venues, it is not appropriate to increase maximum stakes or prizes for any machines covered as part of this review.

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

1. Introduction:

- 1.1 In the ABB's response to question 1 of this call for evidence, the Association set out the case that category B2 and B3 machines in licensed betting offices (LBOs) pose no significantly greater risk to either problem or non-problem gamblers than other categories of machine covered by this review.
- 1.2 In acknowledgement that harm can occur from the use of B2 and B3 machines, as well as other machines, ABB members have been at the forefront of developing measures on category B2 and B3 gaming machines in LBOs that have been designed to mitigate harm or improve protection to consumers and communities.
- 1.3 In almost all cases, these measures have been ground breaking for the gambling industry in the UK, have been based on 3rd party research into gaming machines commissioned by ABB members and often have involved the implementation of measures previously unseen anywhere in the world. Responsible Gambling measures include:
 - The ability to set voluntary time and/or spend limits on gaming machines
 - Mandatory Responsible Gambling alerts triggered at £150 inserted or 20 minutes played on a gaming machine
 - Player Awareness Systems (PAS)
 - Responsible Gambling Interactions (RGIs)
 - Self-exclusion and Multi-Operator Self-Exclusion
- 1.4 The ABB would also highlight that these measures represent a positive industry response to the challenge set by the Government in its conclusions to the last Triennial Review where the government set industry the immediate challenge of making progress on developing harm mitigation measures.
- 1.5 It should be noted that measures in place to mitigate harm from gaming machines in betting shops apply to all gaming machine content on machines in LBOs and therefore cover both B2 and lower staking B3 formats. This is not the case in any of the other sectors of the gambling industry where people playing B3 gaming machines do not have these protections.

2. Measures on B2 and B3 machines in LBOs and evidence of harm mitigation or improved player protection for consumers and communities

- 2.1 *Mandatory alerts on machines for every £150 inserted and 20 minutes played*
- 2.1.1 An alert message is displayed on the gaming machine screen in order to inform the customer that they have reached the point –either in terms of time or money inserted – at which a mandatory alert is automatically prompted. Alerts are repeated, so that currently a player receives an alert at every 20 minute interval during play and every time £150 is inserted into the machine

- 2.1.2 The alert message remains on the terminal until the player clicks it away or for up to 20 seconds. Staff are also alerted behind the counter on a PC whenever an alert is triggered. This message is displayed until the staff member closes it and this may trigger a Responsible Gambling Interaction.
- 2.1.3 On introduction in October 2013, these thresholds were set at £250 inserted and 30 minutes played. In July 2016 the ABB lowered these thresholds to £150 and 20 minutes, so as to increase the number of players exposed to the alerts and able to benefit from them. Prior to the change approximately 650,000 alerts were delivered per week on machines. Following the change, that number rose to over 1.4 million per week.
- 2.1.4 Through the mechanism of alerts, players are kept informed of the time that is being spent on the machine and the level of loss that may have been incurred. Such information helps to ensure informed decision making on the part of the player and that they don't spend more time or money than they can afford.
- 2.1.5 In addition to providing information to players, the alerts provide customers with an interruption to play of up to 20 seconds. These breaks are helpful in interrupting the play and additionally can help informed decision-making.
- 2.1.6 The provision of mandatory alert information to betting shop staff, through simultaneous behind the counter alerts, helps to ensure that staff are aware of the length of time players are spending on a machine and the potential loss incurred. This information allows staff to make informed decisions with regard to whether an individual's play is abnormal in any way whether a Responsible Gambling Interaction may be required.

Evidence to support the value of mandatory alerts and breaks in play

- 2.1.7 In New Zealand, where pop-up messages with an accompanying break in play are legally required on gaming machines, research²³ has shown a positive harm minimization effect over the five year period they have been in place, with a quarter of gamblers recorded as believing the messages help them control the amount of money they spend on gambling.
- 2.1.8 2016 research from the United States²⁴ provides further evidence of the effectiveness of pop-up messages in helping players stay in control. Following receipt of a pop-up message, players were seen to reduce the level of their gambling; with winning gamblers more likely to stop play and losing gamblers seen to decrease their size of bet.
- 2.1.9 Further to these studies, there are additional studies in Canada and New Zealand that suggest that pop-up messages reduce session length among high-risk players²⁵; that pop-up messages and breaks in play reduce the number of sessions played²⁶; and that messages result in more

²³ J Gambl Stud. 2016 Dec;32(4):1115-1126, The Effects of Pop-up Harm Minimisation Messages on Electronic Gaming Machine Gambling Behaviour in New Zealand; Palmer du Preez, Landon, Bellringer, Garrett, Abbott

²⁴ Ginley, Whelan, Keating, Meyers, *Gambling Warning Messages: The Impact of Winning and Losing on Message Reception Across a Gambling Session*, Psychology of Addictive Behaviours, Society of Addiction Psychology, October 2016

²⁵ Schellink, T. and Schrans, T. (2002). Atlantic Lottery Corporation Video Lottery Responsible Gaming Feature Research: Final Report. Halifax, Nova Scotia. Focal Research Consultants.

²⁶ Ladouceur, R. and Sevigny, S. (2003). 'Interactive messages on video lottery terminals and persistence in gambling'. Journal of the National Association for Gambling Studies, 15, 45-50.

controlled styles of play²⁷. These findings are supported by a study that found that messages encouraging ‘self-appraisal’ and that highlighted money spent had the most impact, although information-providing messages in general are also effective²⁸. Another in-depth study into breaks in play found that accompanying breaks in play with warning messages also produces beneficial effects²⁹.

- 2.1.10 The provision of mandatory time and spend information is unique to gaming machines located in LBOs. As a consequence of the mandatory alerts, the ABB contends that those using machines in LBOs are uniquely well-informed about their level of spend on machines and amount of time spent playing. In addition, the provision of these alerts to shop staff, similarly ensures that staff are uniquely well informed about customer spending and time spent on machines, relative to staff in other venues with gaming machines.
- 2.1.11 The ABB monitors the number of mandatory alerts for time and spend that are triggered on a weekly basis. Data for the most recent week available shows that almost 1.5 million mandatory alerts were displayed and the ABB contends this provides evidence that as a consequence of mandatory alerts significant levels of information and breaks in play are being provided so as to encourage informed decision making on the part of players.

	23 Oct 16 - 29 Oct 16
Number of automatic time limits displayed	924,082
Number of automatic spend limits displayed	556,796

- 2.1.12 The ABB objective underpinning the change in the level of mandatory time and money inserted alerts in July 2016, was to double the number of mandatory alerts received by players and monitored by staff. The data for the number of mandatory alerts displayed immediately prior to the lowering of mandatory alert levels shows that that objective was achieved:

	19 Jun 16 - 25 Jun 16
Number of automatic time limits displayed	414,182
Number of automatic spend limits displayed	229,013

²⁷ Floyd, K., Whelan, J.P. and Meyers, A.W. (2006). ‘Use of warning messages to modify gambling beliefs and behaviour in a laboratory investigation’. *Psychology of Addictive Behaviours*, 20, 69-74.

²⁸ Gainsbury, S.M., Aro, D., Ball, D., Tobar, C. and Russell, A, ‘*Optimal content for warning messages to enhance consumer decision making and reduce problem gambling*’, *Journal of Business Research*, 68: 10, (2015), pp. 2093-2101.

²⁹ Blaszczynski, A., Cowley, E., Anthony, C. and Hinsley, K., *Breaks in Play: Do They Achieve Intended Aims?* *Journal of Gambling Studies*, 32: 2, (2016), pp. 789-800.

- 2.1.13 The ABB also monitors player activity after receiving a mandatory alert and prior to receiving a further alert or ending their session. The data generated by this monitoring is set out in the following two tables:

Automatic Spend Alerts (Player has reached an automatic spend limit)	
Immediate activity by the player after each popup displayed till the next pop-up or end of session (whichever comes sooner)	16th to 29th Oct 2016 (inclusive)
Collect and Stop Playing	6%
Continue playing - insert no more cash	23%
Continue playing - inserts more cash	72%
Total (1,104,725)	100%

Automatic Time Alerts (Player has reached an automatic time limit)	
Immediate activity by the player after each popup displayed till the next pop-up or end of session (whichever comes sooner)	16th to 29th Oct 2016 (inclusive)
Collect and Stop Playing	8%
Continue playing - insert no more cash	51%
Continue playing - inserts more cash	41%
Total (1,839,119)	100%

- 2.1.14 The fact that time and spend alerts bring about an immediate cessation of play among approximately 6-8% of those receiving an alert appears positive and is a higher percentage than is seen between spins, without alerts having occurred.
- 2.1.15 It should also be noted that the number of individual sessions that end at this point is statistically significant. The 6% of players who stop playing on receiving a spend alert equals 66,283 sessions in the two week period, and the 8% of players stopping on receiving a time alert is a total of 147,129 sessions.
- 2.1.16 Additionally, in percentage terms, the proportion of players stopping at this point, or continuing (with or without inserting more money) has remained the same under the new lower mandatory alert thresholds as it was before. Therefore, because the number of people subject to these alerts has approximately doubled, so too has the number of players stopping playing on receiving an alert – and they are now doing so at a lower level. This sustained pattern of behaviour further demonstrates the intrinsic value of the mandatory alerts.

- 2.1.17 Via members, the ABB also undertakes qualitative surveys of customers in relation to their awareness of mandatory alerts and the value placed upon them. The results of the most recent surveys of more than 600 machine players at two of the ABB’s largest members are set out below:

	June 2016 (n = 628)		October 2016 (n = 651)	
	Yes	No	Yes	No
Are you aware that you will receive a machine alert for every 30/20 minutes played or £250/£150 loaded onto the machine?	88%	12%	95.8%	4.2%
Have you ever received one of these alerts?	83.7%	16.3%	87.4%	12.6%
(Of those who answered yes) Did you read the text on the alert?	77.5%	22.5%	80.5%	19.5%

	June 2016 (n = 628) Score (1 – 10)	October 2016 (n = 651) Score (1 – 10)
(Of those who responded that they had received a mandatory alert) How useful did you find the alert on a scale of 1 – 10 for the following:		
Helping you stay in control of your gambling	7.9	7.7
Making sure you don’t spend more than you can afford	8.1	8.1
Encouraging you to take a break	7.4	7.1

- 2.1.18 The ABB contends that this qualitative research helps to prove the value of mandatory alerts. The positive response that 88% of customers were aware of the mandatory alerts, increasing to 95% once the new lower thresholds were implemented, demonstrates that a high proportion of customers have sufficient awareness of the alerts to be able to recall them and they are not simply ‘wallpaper’ for the majority of players. Similarly, of the 83% who said they had received one of the mandatory alerts, over three quarters of them confirmed they had read the text on the alert and this again increased following the introduction of the new lower thresholds – rising to 87%. The increase in those who read the messages implies that the more times players see the message, the more likely they are to read it.
- 2.1.19 Follow up survey questions to those who responded yes to the above question revealed how useful the players found the alerts. The strength and consistency of the scores across all the answers shows a strong positive response in all three responsible gambling areas.

Players thought the alerts were most useful at: helping them make sure they didn’t spend more than they could afford; scored them almost as highly when it came to helping them stay in control of their gambling; and finally, that the alerts were useful in helping encourage them to take a break.

2.1.20 Similar qualitative research among betting shop staff members also shows that staff value mandatory alerts and view them as a useful tool in terms of helping them to undertake timely and effective interactions with customers. The following table shows the results of a survey of 1,819 staff carried out in June 2016 by three of the largest ABB members:

	June 2016 (n = 1,819)		October 2016 (n = 1,328)	
	Yes	No	Yes	No
Do the mandatory alert warnings help you interact with customers?	83.7%	16.3%	84.0%	16.0%
Do you think the alerts help you focus on individual customers?	76.1%	23.9%	75.5%	24.5%

2.2 *Voluntary limits on time and spend*

- 2.2.1 All players in LBOs may set money and/or time limits for their gaming machine session. In January 2015 this functionality was updated to require all players to decide whether to set a limit before starting playing. On reaching their limit the customer has the ability to continue playing (with or without setting new limits) or to cash out and end their session. The message on the terminal which presents these options cannot be removed by the player and remains on the screen, preventing further game play, for 30 seconds.
- 2.2.2 Staff are also alerted behind the counter on a PC that the player has reached their voluntary limit. Several ABB operators train staff to conduct a Responsible Gambling Interaction with players who continue to play having reached their voluntary limit, and all staff are advised to view this as an opportunity to interact if required.
- 2.2.3 The ABB contends that encouraging all customers to think about how much they can afford to lose or how much time they wish to spend playing a machine is an effective way to help customers stay in control. The mandated 30 second break in play forces them to reflect on their options, whilst supporting the concept of informed decision making by ensuring any decision to continue playing requires positive action from them.
- 2.2.4 Academic evidence³⁰ confirms that setting a limit on a gaming machine is an effective responsible gambling strategy. Researchers found that setting a time limit on a gaming machine reduces session length, compared to those not setting a limit. Participants who were explicitly asked to consider setting a time limit on their gaming machine play were found significantly more likely to do so and spent less time gambling than those who were not.
- 2.2.5 Making staff aware that a player has reached or exceeded a voluntary limit is also of high value and encourages the staff member to interact with such customers and provides further opportunity to mitigate harm for customers who may be at risk.

³⁰ International Gambling Studies Volume 14, 2014 - Issue 2, Limit your time, gamble responsibly: setting a time limit (via pop-up message) on an electronic gaming machine reduces time on device
Hyouon S. Kim, Michael J. A. Wohl, Melissa J. Stewart, Travis Sztainert & Sally M. Gainsbury:
<http://www.tandfonline.com/doi/full/10.1080/14459795.2014.910244>

- 2.2.6 The ABB contends that voluntary limits provide a personalised tool to mitigate harm and increase player awareness. At the most basic level, the number of voluntary limits set provides indicative evidence of the usefulness of the voluntary limits tool and its value to players. Similarly, the number of limits being set prior to and after the introduction of changes to ensure players have to decide whether to set a limit in January 2015 demonstrates the effectiveness of this measure. The table below sets out the relevant data:

	18 Jan - 24 Jan 2015	25 Jan 15 - 31 Jan 15	7 Jun 15 - 13 Jun 15	25 Oct 15 - 31 Oct 15	22 May 16 - 28 May 16	23 Oct 16 - 29 Oct 16
Number of instances of custom spend limits set	9,079	143,281	105,466	101,187	95,159	102,722
Number of instances of custom time limits set	7,906	132,671	100,564	97,169	91,027	99,078

- 2.2.7 The table above demonstrates that there was a significant increase in the number of voluntary alerts set following the introduction of the requirement for all players to consciously decide whether or not to set a voluntary limit. Figures show a 15 fold increase in the number of voluntary alerts being set in the week immediately following the introduction of the measure.
- 2.2.8 While the number of voluntary limits being set peaked in the week immediately following the introduction of the voluntary limit requirement, the number of voluntary limits being set remains high and at a fairly consistent level. The ABB contends that this provides significant evidence of a consistent cohort of individuals for whom voluntary limits are a useful and valued tool to mitigate harm and assist in player protection.
- 2.2.9 Following the changes to the mandatory alerts thresholds in July 2016, there has been a small but sustained increase in the number of voluntary limits being set. This is evidence of the effectiveness of mandatory alerts at raising consciousness amongst gaming machine players about responsible gambling, and encouraging them to set their own voluntary limits.

	19 Jun 16 - 25 Jun 16 <i>Mandatory alerts at £250 and 30 mins</i>	24 Jul 16 - 30 Jul 16 <i>Mandatory alerts at £150 and 20 mins</i>	21 Aug 16 - 27 Aug 16	25 Sep 16 - 1 Oct 16	23 Oct 16 - 29 Oct 16
Number of instances of custom spend limits set	93,479	104,357	101,282	104,367	102,722
Number of instances of custom time limits set	89,886	100,851	97,700	100,741	99,078

Percentage of sessions where custom spend limits set	2.476%	2.727%	2.652%	2.640%	2.665%
Percentage of sessions where custom time limits set	2.380%	2.635%	2.558%	2.549%	2.570%

2.2.10 On reaching a voluntary spend limit the data shows that the majority of players do stop playing. Those reaching a voluntary time limit are less likely to stop playing, but the majority do end their session or continue playing having set new limits.

2.2.11 The tables below show the behaviour of players upon reaching voluntary time or spend limits:

Custom Money Limits (Player has exceeded their pre-set voluntary money limit)	
Immediate activity by the player after each popup displayed till the next pop-up or end of session (whichever comes sooner)	16th to 29th Oct 2016 (inclusive)
End player session	55%
Collect excess and continue playing	6%
Set new limits - player set new custom limits	22%
Set new limits - player dismisses customer limits and reverts to automatic	17%
Total	100%

Note, if the player exceeds their voluntary limit for cash-in, the excess (the amount added to the machine in excess of the voluntary limit set) can be collected

Custom Time Limits (Player has exceeded their pre-set time limit)	
Immediate activity by the player after each popup displayed till the next pop-up or end of session (whichever comes sooner)	16th to 29th Oct 2016 (inclusive)
Collect balance and end player session	33%
Set new limits - player set new custom limits	50%
Set new limits - player dismisses customer limits and reverts to automatic	17%
Total	100%

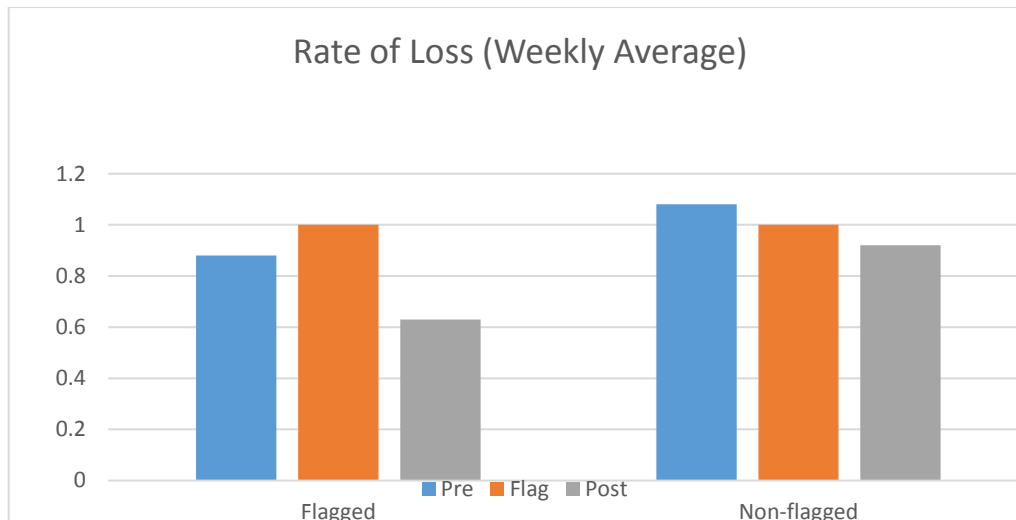
Note, there is no option to collect an excess as the custom limit was a set amount of time which has now been reached

2.2.12 In summary, the ABB contends there is strong evidence that the ability to set voluntary limits when using machines in LBOs provides a valuable tool to mitigate gambling related harm and encourage responsible gambling. In addition, we contend that there is strong evidence that those setting voluntary limits normally stick to them and that voluntary limits encourage players to stay in control of their gambling.

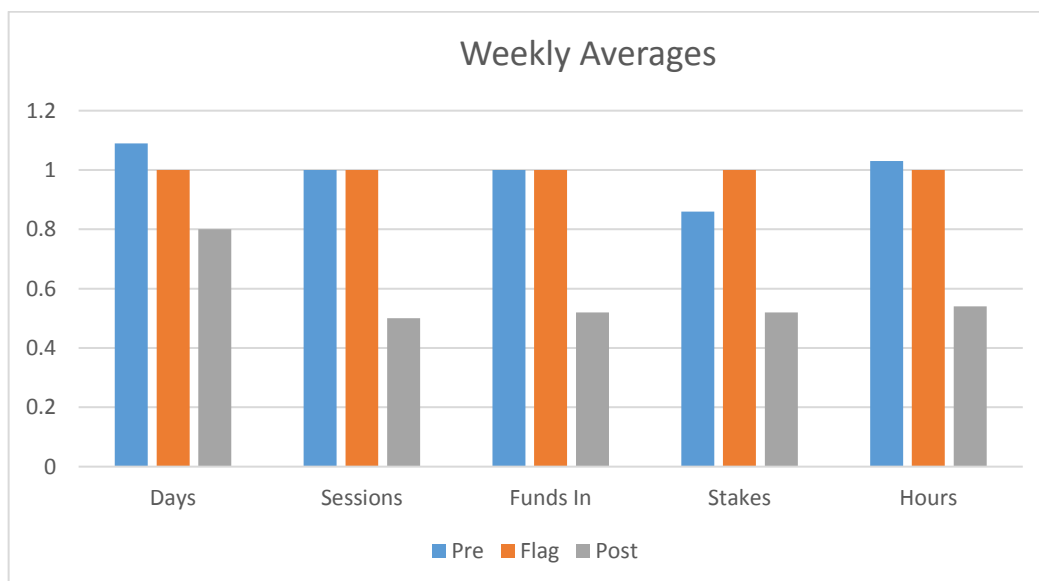
2.3 *Player Awareness Systems*

- 2.3.1 In December 2015, Player Awareness Systems (PAS) were launched by the betting shop industry in response to Responsible Gambling Trust research published a year earlier that suggested that it was possible to identify ‘markers of harm’ when the player history data of problem gamblers was analysed. ABB members considered that by using the outcomes of this research it may be possible to more accurately identify those at risk of harm while undertaking account-based play on machines. Approximately 10% of sessions on gaming machines in LBOs are account-based.
- 2.3.2 In order to facilitate innovation and also encourage early adoption of PAS, each of the major operators and the machine manufacturers on behalf of independent members, developed different PAS systems. All systems operate to the same set of principles, which are underpinned by data algorithms used to identify markers of harm from account based gaming machines customers’ player history data. Customers receive escalating messages dependant on the level or risk identified, and these are delivered via machine pop-up, text message or email. The highest risk individuals are subject to a responsible gambling interaction in person.
- 2.3.3 The aim of the messages or interactions is to make players aware of their gambling activity and the potential risk identified. Following from this, it is hoped that at-risk players will “re-set” their playing behaviour so that they reduce the risk of harm associated with their play.
- 2.3.4 It is also expected that at-risk players will be identified at an earlier stage than might have been the case if purely behavioural monitoring in the shop had taken place. It is expected that this will result in it being easier for the player to change behaviour before the behaviour becomes ingrained.
- 2.3.5 The PAS systems across the LBO estate have been in operation for less than a year and the different PAS systems in operation make the provision of industry-wide data difficult. However, individual operators have been consistently monitoring the effectiveness of their schemes and a selection of data relating to PAS is set out below.
- 2.3.6 It should be noted that in line with the ABB Responsible Gambling Code, best practice is being shared among operators of different systems and the varying PAS systems are progressively moving to a common set of standards. The ABB is committed to ensuring a clear evidence base exists for these standards. In 2016, the ABB commissioned PWC to conduct an early evaluation of the systems in place across operators³¹. This evaluation led to a number of operational enhancements to several PAS systems. A further review will be undertaken with PWC in 2017.
- 2.3.7 Data provided by William Hill clearly demonstrates a change in player behaviour following receipt of responsible gambling message through PAS. Examining rate of loss amongst customers who have been identified and interacted with via PAS with those who don’t flag as at risk within PAS, shows that the flagged players’ average weekly rates of loss decrease to a greater extent than amongst non-flagged customers. Although it may be surprising that non-flagged customers also demonstrated corrected behaviour through a decreasing rate of loss, the reasoning for this may be that much human behaviour is self-correcting. Amongst potential problem gamblers this ability for self-correction would be expected to be reduced and therefore to see greater correction amongst those players as a result of PAS, compared to non-at-risk players, is significant.

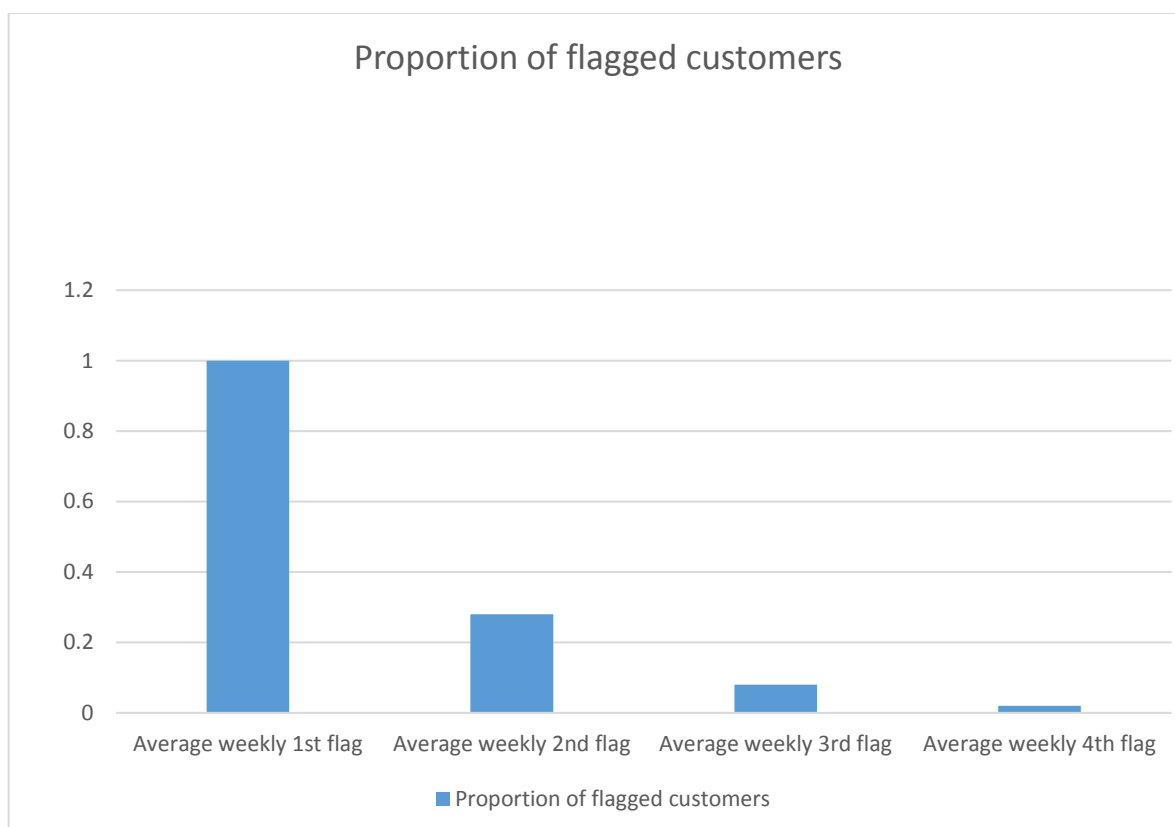
³¹ PWC, *Evaluation of the player awareness system implementation*, October 2016, http://about.gambleaware.org/media/1335/pas-evaluation_final-report_13102016.pdf



- 2.3.8 William Hill data also shows that the same pattern of modified behaviour can be seen for flagged customers over the week when other variables are considered also. The number of days, hours and sessions spent gambling, as well as funds added to gamble and stakes committed, all show significant reductions over the week following a PAS intervention with that customer. The levels from the pre to flag stage are flat or with little difference, making the change in behaviour post intervention even more evident. This is set out in the following table:



- 2.3.9 Data from Ladbrokes in relation to their PAS system, also confirms that once players receive an intervention the majority go on to modify their behaviour to the extent that they no longer flag as at risk and do not require a further intervention. Looking at the weekly average number of flagged customers across September and October 2016 shows that the vast majority are flagged just once, before modifying their behaviour. Of those that remain and who flag a second or third time, the number declines again at each stage, showing that interventions continue to be effective. The table below sets out this data:



3. Evidence of increased player awareness of responsible gambling

3.1 In outlining new measures on gaming machines introduced by the LBO sector and evidence that these have mitigated harm and improved player protection to consumers and communities, we have focused on the direct and attributable impact of these measures. However, in addition to the direct impact these measures have yielded, we would expect to see indirect impacts that cannot be attributed to any single measure, but would suggest increased awareness on the part of the player of potential problems with their gambling and consequently greater use of the tools that are available to help address problem gambling.

3.2 This is particularly the case, given that the measures outlined above may lead to Responsible Gambling Interactions which, in turn, may include recommendations around self-exclusion.

3.3 Additionally, LBO commitments to initiatives such as provision of top screen messages around responsible gambling on machines would also be expected to drive increased take up of responsible gambling tools.

3.4 *Number of RGIs*

All operators must record the number of Responsible Gambling Interactions (RGIs) carried out in shops and report them to the Gambling Commission on a regular basis as part of their regulatory return reporting. For the largest operators this occurs on a quarterly basis and for smaller operators on an annual basis.

- 3.4.1 As can be seen from the data below³² the number of RGIs recorded since the implementation of the industry measures on machines in March 2014 to present, shows a significant increase: from 12,439 in Q4 2013 – prior to implementation – to 58,180 in Q2 2016. This indicates that staff are increasingly engaged with customers they believe may have a problem and are providing advice around measures to support those who may have or be developing a problem with their gambling.

Number of customer interactions	Oct – Dec 2013	Jan-Mar 2014	Apr-Jun 2014	Jul-Sep 2014	Oct-Dec 2014	Jan-Mar 2015
	12,439	271,154	482,078	85,043	61,617	70,910
	Apr-Jun 2015	Jul-Sep 2015	Oct-Dec 2015	Jan-Mar 2016	Apr-Jun 2016	Jul-Sep 2016
	57,199	47,687	43,558	43,545	58,180	124,329

Note: The figures for Q1 and Q2 2014 should be discounted because this represents a period where staff at some operators were recording all instances of demonstrating the new gaming machine limit setting function to players as an RGI; these are no longer recorded as RGIs. Q3 2016 represents a significant increase in the number of RGIs due to new requirements on staff within one operator to conduct RGIs when certain criteria are met.

- 3.4.2 While factors such as the LBO industry's commitment to ensuring RGIs take place when they are appropriate will have been a factor in increasing the number of RGIs in the past 3 years, the introduction of alerts (both voluntary and mandatory) and the Player Awareness Systems are all likely to have played a role in the increased number of RGIs evidenced here.

3.5 Self-exclusion

- 3.5.1 All operators are required to offer self-exclusion as part of their Licence Conditions and Codes of Practice, as set by the Gambling Commission³³. As can be seen from the information below³⁴, the number of self-exclusions has increased in the period during which the industry measures on machines have been in place and increased numbers of RGIs have occurred. Although other factors may have influenced the number of self-exclusions³⁵, and it cannot be entirely attributed solely to the measures in place on machines, this is an expected outcome from the introduction of the measures. The increase in self-exclusions is not as great as has been seen with RGIs, but as self-exclusion is a tool that will be relevant only to a sub-set of players the increase in volume would be expected to be lower.

³² Data provided by the ABB's four largest members: William Hill, Ladbrokes, Coral, Paddy Power Betfair

³³ Licence Conditions & Codes of Practice, Gambling Commission, July 2016, <http://www.gamblingcommission.gov.uk/pdf/Latest-LCCP-and-Extracts/Licence-conditions-and-codes-of-practice.pdf>

³⁴ Data provided by the ABB's four largest members: William Hill, Ladbrokes, Coral, Paddy Power Betfair

³⁵ Including the introduction of Multi Operator Self Exclusion in April 2016 (trialled in Medway from Dec 2014, Glasgow from July 2015, and London from December 2015)

Number of self-exclusions	Oct – Dec 2013	Jan-Mar 2014	Apr-Jun 2014	Jul-Sep 2014	Oct-Dec 2014	Jan-Mar 2015
	4,700	5,398	6,328	5,980	5,746	5,971
	Apr-Jun 2015	Jul-Sep 2015	Oct-Dec 2015	Jan-Mar 2016	Apr-Jun 2016	Jul-Sep 2016
	5,907	4,979	5,138	5,712	6,993	6,907

- 3.5.2 Additional factors that could be expected to bring about an increase in the number of self-exclusions include the introduction of Multi-Operator Self Exclusion for the LBO sector in April 2016 also the increasing awareness among gaming machine players of responsible gambling in general through the responsible gambling messaging on machine top screens.

4. Conclusions

- 4.1 The ABB contends that there is compelling evidence that the LBO industry's measures on gaming machines mitigate harm and improve player protection to the benefit of consumers and communities.
- 4.2 The LBO sector has led the way on the introduction of measures on gaming machines and no other sector of the UK gambling industry offers measures comparable to those found in bookmakers. The ABB remains committed to the continued sharing of best practice and continuing development of responsible gambling measures as set out in the RGSB Roadmap (as highlighted in our response to Question 3).
- 4.3 The ABB contends there is sufficient evidence around the benefits of responsible gambling measures introduced in LBOs that DCMS and the Gambling Commission should consider mandating similar measures for all establishments offering Category B or Category C gaming machines.
- 4.4 The implementation and evaluation of the responsible gambling measures introduced by ABB members on gaming machines has been driven by machine data and its analysis, often by third parties. In making available to third parties, including the Gambling Commission and DCMS, details of billions of transactions relating to B2 and B3 play in LBOs, ABB members have met the challenge from the last Triennial Review that the industry must lead in making data available on player behaviour and support robust independent research into B2 gaming machines.
- 4.5 Similarly, the introduction of the measures outlined above has helped to meet the additional challenge set by the Government in its conclusions to the last Triennial Review where the industry was required to make progress on developing harm mitigation measures. We contend the developments outlined above represent very significant progress on harm minimisation.

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

1. Introduction

- 1.1 The Government's *Call for Evidence* sets out the two objectives it is seeking to balance in reviewing and potentially changing gaming machine regulations. The ABB understands these objectives to be "socially responsible growth" and "the protection of consumers and wider communities". It seems to the ABB that the Government has identified the correct objectives which must be met prior to implementing any regulatory change and that the Government is correct in believing that the right balance should be struck between these two objectives.
- 1.2 Question 1 of the *Call for Evidence* focuses on how changes to maximum stakes and/or prizes on machines might support the Government's objectives and Question 2 seeks evidence as to the protections and mitigation provided by industry measures on gaming machines.
- 1.3 In addition to the information and evidence elicited by these Questions, the ABB contends there are a significant number of additional factors that should be taken into account when considering changes to gaming machine stakes and prizes. These additional factors all have the potential to influence the Government's objectives as set out in the *Call for Evidence*.

2. Future measures relating to gaming machines and creating a socially responsible environment for gambling

- 2.1 Question 2 focuses on measures ABB members already have in place on gaming machines and their effectiveness in mitigating harm and improving player protection.
- 2.2 This retrospective view is useful and allows an analysis of measures already undertaken. However, it is also relevant to consider measures that are committed to in the future and in so doing gain insight into the journey ABB members are undertaking to enhance player protection on machines and develop new and increasingly effective measures.
- 2.3 Thus, in considering appropriate changes to gaming machine regulation and how these changes may lead to the achievement of the Government's objectives, the Government should also consider whether commitments on the part of industry sectors to future measures on machines have the potential to make material enhancements to harm mitigation and player protection.
- 2.4 This view is further reinforced as the timescale for implementation of changes to machine regulations may extend until 2018. For this reason, we contend that future measures committed to by the industry that build on effective measures already in place, should have a significant bearing on the outcome of the review and shape the Government's position.
- 2.5 It should be pointed out that the measures committed to by the ABB for implementation over the next 2 years are largely evolutionary and part of a journey. The measures already implemented, and outlined in Question 2, are necessary pre-requisites for the new and additional measures scheduled to be implemented over the next two years.

2.6 *ABB response to the Responsible Gambling Strategy Board's (RGSB's) 2016 National Responsible Gambling Strategy Document and associated Priority Actions:*

2.6.1 In April 2016, the RGSB set out its vision for minimising gambling related harm during the period 2016/2017 to 2018/2019. The ABB strongly supports the RGSB's vision and was able to map a number of ABB responsible gambling initiatives, committed to by ABB members, to the strategy and set out the timescale for implementation of these initiatives during the time period of the strategy. We set out these initiatives below, mapped against the RGSB's priority actions. Detail around the timing for implementation of individual measures is set out in the spreadsheet at Appendix 5.

2.6.2 *Priority Action 1; Understanding and measuring harm - ABB member provision of data to the Gambling Commission, RGSB and RGT:*

2.6.2.1 ABB members and machine suppliers are currently working with the Gambling Commission to provide significant volumes of data to support the updating of the Gambling Commission's *Patterns of Play* report³⁶. The provision of consistent, accurate data by the machine suppliers that can be effectively analysed by the Commission represents both a significant time and cost commitment by the industry. Nonetheless, the ABB and our members believe that this data can provide further insights into the understanding and measurement of harm, as suggested by Priority Action 1. Regular and consistent data provision to DCMS, the Gambling Commission, RGSB and GambleAware is a fully integrated part of the ABB's strategy.

2.6.3 *Priority Action 2; Engagement with relevant public sector bodies and other agencies - engagement with Cancer Research UK:*

In the meeting between the ABB and RGSB, we outlined that the demographic profile of betting shop customers is relatively unique, with a significant bias towards over 50 year old males. This demographic has been traditionally difficult for public health bodies and charities to reach. Acknowledging this fact, the ABB working with our member *Ladbrokes*, has initiated a trial to examine the potential to inform betting shop customers in areas such as cancer prevention and identification. Associated with this trial is an examination of the potential to train staff to talk about cancer. This trial will be evaluated and the potential to roll it out across ABB member companies examined. We contend initiatives such as this are strongly consistent with the Government's objective around the protection of wider communities.

2.6.4 *Priority Action 3; Consolidating a culture of evaluation - evaluation of all new measures by the ABB*

In this area, we highlight relevant evaluation activities that are mentioned individually in the relevant streams elsewhere in the document. The ABB is fully committed to the evaluation of all its responsible gambling activities and hope through this to ensure the effectiveness of all measures committed to by ABB members up until 2018.

³⁶ Wardle, Ireland, Sharman, Excell and Gonzalez-Ordenez, *Patterns of play: analysis of data from machines in bookmakers*, NatCen for the Responsible Gambling Trust, December 2014 <http://www.rgtinfohub.org.uk/wp-content/uploads/2015/10/patterns-of-play-analysis-of-data-from-machines-in-bookmakers.pdf>

2.6.5 *Priority Action 4; Increased understanding of the effects of product characteristics and environment - ABB data on the time of day*

Data analysis conducted by ABB members, and subsequently confirmed on a cross-operator basis by SG and Inspired, suggested that players of machines during the first hours of a shop opening were exhibiting what could be viewed as increased levels of harmful play. In response to this additional briefings have been provided to staff in order to alert them to the possible risk and the need for increased vigilance. The impact of this increased awareness and vigilance will be evaluated once sufficient player data is available.

2.6.6 *Priority Action 5; improving methods of identifying harmful play*

2.6.6.1 *Staff training;*

Discussions between the ABB and RGSB highlighted staff training and resulting customer interactions, as opposed to technology or machine focused interventions, as an area of potential focus. In acknowledgement of this, the ABB is investigating the potential to secure third-party accreditation of training standards and particularly the standard of responsible gambling interactions. Upon completion, it is expected that all ABB operators will have achieved a third party accreditation of their training.

2.6.6.2 *ABB testing and evaluation of existing Player Awareness Systems (PAS) to come to a minimum set of industry standards;*

This strand of activity is based on a previous ABB commitment to bring together the various PAS systems around a set of common standards. This process is heavily reliant on the recently completed PWC report into PAS systems³⁷. The ABB is committed to PWC re-evaluating its PAS systems in 2017.

2.6.6.3 *Nom de plume system for tagging and monitoring non-account based players;*

ABB members consider that it may be beneficial to tag and monitor non-account based players in order that a picture can be developed of their play over time. For such a system to be effective common standards and protocols would need to be agreed by operators and significant technical work undertaken to make the tagging feasible and effective. Work on this system is already under way and it is envisaged the ABB members will have a consistent, fully functioning system for tagging selected non-account players by December 2017.

2.6.6.4 *Developing an in session Player Awareness System for non-account-based play;*

ABB members consider that a limited number of markers of harm can be used in non-account based play to identify harmful behaviours and trigger machine level alerts to the player. This strand of activity highlights the stages that will be required to implement such a PAS system and the potential ultimately to identify “chaotic” play, which was identified in the recent Featurespace secondary research of machines data as one of “the most distinct identifiers of problem gamblers”³⁸.

³⁷ *Evaluation of the player awareness system implementation*, PWC for the Responsible Gambling Trust, October 2016, http://about.gambleaware.org/media/1335/pas-evaluation_final-report_13102016.pdf

³⁸ Excell, Grudzien, *Secondary Analysis of Machine Games Data*, Featurespace, December 2014, <http://about.gambleaware.org/media/1261/featurespace-secondary-analysis-of-machines-data-final.pdf>

2.6.7 *Priority Action 6; Piloting interventions*

2.6.7.1 *Achieving escalation in the content and tone of messages the more mandatory or voluntary alerts that are triggered;*

ABB members consider it may be effective to increase the tone and severity of machine messages depending on the number of voluntary or mandatory alerts that are triggered, in a similar way to the escalation in communications customers are subject to in PAS. This strand of activity will build on research into the effectiveness of PAS messaging, and work being undertaken under the auspices of IGRG, to develop a set of messages delivered on the machine that become increasingly forceful depending on the number of alerts that a player has triggered during a session. This strand will be fully evaluated.

2.6.7.2 *Modifying behind the counter alerts for staff when voluntary limits are triggered;*

This strand of activity is focused on ensuring a common process across operators in the case where a voluntary limit is triggered. Any changes will be trialed and full evaluation implemented once changes are set in place.

2.6.7.3 *Betknowmore pilot (Islington), with GambleAware;*

Betknowmore has developed an innovative structure for rapid intervention with those that may be experiencing a problem with their gambling. In this pilot ABB members with shops in Islington will work with *Betknowmore* to educate their staff in relation to the services offered by *Betknowmore* and their methods for identifying problem gamblers with a view to referring customers who may benefit from the support they can provide. The pilot will be fully evaluated with a view to potentially expanding the service to other areas of London. A summary progress report on the pilot is included in Appendix 6.

2.6.7.4 *Targeted programme of activity in Chinatown, London;*

Working with the Chinese National Healthy Living Clinic, this strand of activity will look at the unique issues associated with the significant proportion of non-English speaking betting shop customers in London's Chinatown. There will be an evaluation of the programme and identification of learnings that may lead to new initiatives in areas with high levels of non-English speaking customers.

2.6.7.5 *Standard PAS messaging;*

In partnership with Decision Technology this activity will see the refinement and standardisation of messages used in the current PAS system. This is an on-going process that will see messages refined over time.

2.6.8 *Priority Action 7; Self-Exclusion - ABB role in self-exclusion working group and potential for debit card blocking;*

While primary responsibility for LBO multi-operator self-exclusion (MOSES) now rests with Senet, the ABB continues to be involved in the working group overseeing its implementation. Separately, the ABB is working with its members to examine the potential to block the use of debit cards in their shops by those who have been self-excluded and by those customers who wish to limit their potential daily maximum spend.

2.6.9 *Priority Action 8; Education to prevent gambling related harm - ABB Gamble Aware Week;*

ABB Gamble Aware Week took place in July 2016. For 2017, the ABB will work with IGRG to identify the potential for a pan-industry Gamble Aware Week.

2.6.10 *Priority Action 9; Building the quality and capacity of treatment;*

Whilst no directly associated activity is foreseen for this priority action in the ABB response to RGSB, it is worth highlighting that the ABB remains committed to all its members contributing 0.1% of GGY to GambleAware (formerly the Responsible Gambling Trust) and continues to work with GambleAware to identify any shortfalls in member contributions and encourage members to pay the correct amount.

2.6.11 *Priority Action 10; Widening and strengthening the research field and improving knowledge exchange - ABB Responsible Gambling Committee;*

The primary vehicle for the ABB in this area is its Responsible Gambling Committee, which will continue to meet on a quarterly basis throughout the period of the timeline. The Committee is also the vehicle by which the ABB undertakes horizon scanning as suggested in the RGSB's Priority Action 11.

2.6.12 *Priority Action 11; Public engagement - Customer surveys*

Associated with ABB activity around mandatory alerts and top screen messaging, the ABB will be undertaking customer surveys in order to collate views and evaluate effectiveness.

2.7 The ABB contends that each of the actions committed to in Section 2.6 above are of significant value in addressing problem gambling in their own right. However, as a suite of measures, potentially supporting and reinforcing each other, they represent a major step forward in responsible gambling interventions and ability to minimise harm from machine gaming.

2.8 It should be further noted that each of the responsible gambling activities set out in section 2.6 above, require significant financial and time investments on the part of ABB members and are "voluntary" by way of the fact they are not specifically required to be undertaken by virtue of regulation or legislation.

2.9 Further to the point made in Section 4.3 of the ABB response to Question 2, we contend that if sufficient evidence can be established to support the effectiveness of the measures committed to in Section 2.6 above, consideration should be given by DCMS and the Gambling Commission to mandating similar measures in all venues offering Category B and Category C gaming machines.

3. Technological developments

3.1 In line with the ABB's view on the need to consider planned responsible gambling activities as set out in section 2 of this question, the ABB also contends that the Government should be cognisant of further technological developments that may be effective in helping to achieve its stated objectives.

3.2 In particular the ABB would highlight the potential of biometrics to play a significant role in allowing closer monitoring of non-account based gaming machine players. Biometric technology and the computing capacity required to support it have significantly reduced in

cost in recent years, to the point where these technologies are now financially viable for large scale roll out into the high volume, low margin environments of betting shops.

- 3.3 The ABB understands that one of its members will be providing the Government with insights into the potential of such technology and strongly urges the Government to consider this submission and the value technology might bring in the area of player protection.

4. Secondary economic implications of a reduction in stakes and a consequent decline in numbers of LBOs.

- 4.1 As we set out in our response to Question 1 in section 5, should the Government decide to reduce maximum stakes on B2 machines there would be an additional decline in the number of LBOs in Great Britain. The ABB contends that such a decline would have a negative impact on the broader high street.

- 4.1.2. A number of independent surveys have shown LBOs generate footfall for high street and town centre retailers. A survey undertaken for the ABB in November 2016, and attached in Appendix 7, confirms this view.

- 4.1.3 Footfall counts undertaken in five town centres across the country show that, on average, more people frequent betting shops than neighbouring A1, A2 and A3 classed businesses. 89% of betting shop customers state that they sometimes go on to visit other retailers in the immediate area, with 49% stating that they regularly or always use other retailers – with over half of them spending more than £10. This suggests bookmakers have a positive impact on pedestrian footfall, benefiting other shops in the area through linked trips.

- 4.1.4 62% of LBO customers say visiting the bookmakers was their prime reason for the trip to the high street, and one third of LBO customers would visit their high street less if their particular betting shop were to close.

4.2 Horse and Greyhound Racing industries

- 4.2.1 The ABB contends that payments from the high street betting industry to the UK horse and greyhound racing industries would significantly decline as a reduction in B2 stake/prize levels would result in the additional closure of LBOs.

- 4.2.2 The most significant impact on horse racing would be from the inevitable reduction in payments for media rights. Betting shop revenues in LBOs have been declining for a number of years, and there has therefore been a reduction in Horserace Levy payments, which are paid as a percentage of betting shop profits on horseracing bets. Although each LBO currently contributes on average £5,500 each year in direct Levy payments, it is payment for the rights to broadcast horseracing television feeds and data in shops which makes up the vast majority of payments from the betting shop industry to horseracing. Currently the LBO sector pays on a per-shop basis for the right to televise live horse racing, with a per shop average cost of over £23,000 per annum. Any reduction in LBO shop numbers will equate to a loss of media rights to the horse racing industry in direct proportion to the number of shops closed.

- 4.2.3 Most recently, the report for DCMS by Frontier Economics placed the value of media payments made to horse racing by betting at the level of £127.8 million in 2014. The vast majority of these payments come from LBOs³⁹.
- 4.2.4 In the case of greyhound racing, Satellite Information Services Ltd (SIS) estimate annual media payments associated with greyhound racing to be circa £4,000 per shop per annum. Any shop closures would result in the loss of these payments to the greyhound industry.

4.2.5

5. **Systematic review of gaming machine research**

- 5.1 To fully understand the empirical evidence related to machine gambling the ABB has carried out a third-party literature review.
- 5.2 *Gaming Machines and causation of problem gambling*
- 5.2.1 The review found no evidence for any *causation* of problem gambling by machines in general or any causation by B2s or “FOBTs” specifically.
- 5.2.2 The review also found no evidence of causation of problem gambling by stake sizes on gaming machines or elsewhere.
- 5.2.3 All studies show that there is less association between “FOBTs” and problem gambling than for other gambling types.
- 5.2.4 The study in this area with the largest sample size found that prevalence of problem gambling was highest among those who spread bet (20.9%), second among players of poker in pubs or clubs (13.2%), third among those who bet on events (12.9%), fourth among those who used a betting exchange (10.6%) and only fifth among those who played on machines in bookmakers (7.2%).⁴⁰
- 5.2.5 This suggests that a focus on gaming machines or B2 machines in particular is liable to be arbitrary.
- 5.2.6 There is no study that shows any causation between *stake size* and harm in any form of gambling.
- 5.2.7 The evidence showed that targeting stake sizes would not target problem gamblers in particular. The largest study in this area, based on Responsible Gambling Trust data,⁴¹ showed the £100 stake in particular is very rare – only 0.26% of all stakes – and that players placing £100 bets are distributed proportionately across problem and non-problem gamblers.

³⁹ Frontier Economics, *An economic analysis of the funding of horseracing: A report prepared for the Department for Culture, Media & Sport*, June 2016

⁴⁰ Wardle, H., et al (2014). ‘Gambling Behaviour in England and Scotland: Findings from the Health Survey for England 2012 and Scottish Health Survey 2012, prepared for the Gambling Commission’.

⁴¹ Excell, D. and Grudzien, P (2016). ‘Secondary Analysis of Machines Data: Prepared for the Responsible Gambling Trust’.

- 5.2.8 Furthermore, there is no research that quantifies what a harmful average stake would be.
- 5.2.9 Indeed, studies suggest that stake sizes can be used to trace and study problem gambling for responsible gambling interventions.
- 5.2.10 Meanwhile, the apparent association between stake size and problem gambling is based on analysis of PGSI survey data, mirrored in the NatCen report discussed below. However further analysis in the following subsection suggests a lack of empirical evidence in this area.
- 5.3 *Understanding the data on apparent association between problem gambling and stake size using the Factor Analysis method*
- 5.3.1 A recent NatCen study commissioned in 2014 by the RGT that analysed the PGSI's problem gambling measures⁴² showed important new information:
- 5.3.2 That there is little or no correlation between stake size and problem gambling that actually causes health or financial problems.
- 5.3.3 That some of the measures of problem gambling detailed below that has some correlation with stake sizes are highly likely to pick up non-problem gambling instead.
- 5.3.4 That for the central problem gambling measure that is correlated with stake size, stake size itself is an endogenous (or 'lurking') variable, which appears to render the measure unreliable. (This is because the measure was created by asking whether gamblers 'gamble with larger amounts of money to get the same excitement'. This must be correlated to some extent with stake size, but while this question is intended to detect problem gambling it does not in itself show that harm occurred: non-problem gamblers who have sometimes played with relatively high stakes are also likely to have answered 'yes', making false positives likely.)
- 5.3.5 These findings were the product of the use of Factor Analysis on the PGSI survey, better distinguishing between 'harmful' and 'non-harmful' play than was previously possible. Factor analysis (a standard statistical technique) was used to break down the relatively crude PGSI scores to establish which answers to the PGSI survey were given in 'clusters' (or 'factors') together, and how these clusters correlated to different gambling behaviours, like high-staking.
- 5.3.6 For the first time, this allows us to see whether stake size has any correlation to answers that actually indicate harmful consequences from gambling behaviour.
- 5.3.7 In this case, factor analysis showed two sets of commonly clustered answers. The first, Factor 1, showed answers related to gambling 'actions', while the second, Factor 2, showed answers related to gambling 'consequences'.
- 5.3.8 These two factors imply that two 'types' of respondent are being detected: the first showed 'actions' while gambling that were *potentially* harmful, but the second type suffered actual harmful gambling 'consequences'. They tended to answer positively to PGSI questions 'Felt had a problem with gambling', 'Gambling caused a health problem', 'People criticised my gambling', 'Gambling caused financial problems', and 'Felt guilty about my gambling'.

⁴² Wardle, Exell, Ireland, Ilic and Sharman, *Gambling machines research programme Report 2: Identifying problem gambling – findings from a survey of loyalty card customers*, November 2014
<http://about.gambleaware.org/media/1225/report-2-identifying-problem-gambling-findings-from-a-survey-of-loyalty-card-customers.pdf>

Factor loadings for the PGSI		
<i>All aged 18 and over</i>		
PGSI item	Factor 1	Factor 2
Bet more than could afford to lose	.76	
Gambled with larger amounts of money to get the same excitement	.84	
Chased losses	.75	
Borrowed money to gamble	.51	.51
Felt had a problem with gambling	.48	.69
Gambling caused a health problem	.46	.70
People criticized my gambling		.83
Gambling caused financial problems	.53	.69
Felt guilty about my gambling		.67
<i>Loadings less than 0.4 not shown</i>		

- 5.3.9 Factor analysis had previously been impossible due to having fewer respondents to PGSI surveys, meaning insufficient variation was generated for this sensitive detection. However this analysis has now shown that the actual correlation in PGSI surveys is between stake size and Factor 1; in demonstrating ‘consequences’ however, Factor 2 appears to be the actual measure of harm, but the correlation between these actual harmful results and stake size has all but disappeared.
- 5.3.10 In sum, PGSI has therefore now shown that there is no demonstrable link between stake sizes and *actual harmful consequences* for gamblers. We believe this demonstrates that stake reduction would therefore constitute unfair and unwarranted treatment.
- 5.4 Statistical concerns in the suggested rise in problem gambling
- 5.4.1 A number of journalistic and other sources (including The Times) have suggested that problem gambling rates have doubled in the three years since 2013, based on statistics in the Gambling Commission publication: ‘Gambling participation: gambling and modes of access – October 2016’.⁴³
- 5.4.2 The numbers (e.g. in the first table Problem gambling rates (according to the short form PGSI) by gender and age) appear to show at first sight this increase (with the category ‘All respondents’ showing an increase in ‘problem gamblers’ from 0.3% to 0.6% to from 2013 to 2016), in the small-print, but one of their caveats to this data is that:
- ‘[D]espite relatively high percentage changes in the observed rates of problem gambling, none of the changes in the problem gambling table below are significant at the 95% level.’
- (In statistical terms, this refers to a significance level from any regression of p-value over 0.05 (or under 95%) is rejected, called ‘the probability of rejecting the null hypothesis’.)
- 5.4.3 The outcome from this PGSI data is therefore the opposite of what The Times and others have said – meaning the conclusion that problem gambling is rising is in fact void, and would be rejected in any academic setting.
- 5.4.4 The PGSI short-form itself also appears likely to overstate problem gambling due to its methodology.

⁴³ <http://www.gamblingcommission.gov.uk/Gambling-data-analysis/Gambling-participation/Gambling-participation-data/Gambling-participation-survey-data.aspx> (under the top link: Survey data on gambling participation – October 2016)

- 5.4.5 A study commissioned by the Gambling Commission⁴⁴ analysed ‘the feasibility and suitability of a new brief three-item measure [short-form PGSI] for use in tracking the prevalence of problem gambling in the general population.’
- 5.4.6 The report found that ‘to minimise false positives, [this] instrument should only be administered to participants who have gambled in the past four weeks and/or report gambling at least a dozen times in the past year’; however this is not a typical population sample.
- 5.4.7 Furthermore, the short-form was based on answers to three of the nine PGSI survey questions: PGSI 1: ‘Bet more than can really afford to lose’, PGSI 7: ‘People criticise one’s gambling’ and PGSI 9: ‘Feel guilty about one’s gambling. While useful, it is worth noting that it does not describe actual financial or health problems, unlike full PGSI.
- 5.4.8 Comparison of the full and short-form PGSI showed that ‘the prevalence of low-risk gambling in the BGPS sample (7.1%) is nearly twice the prevalence of scores of 1 on the PGSI short-form (3.7%) and the rate of non-problem gambling based on the full PGSI is somewhat lower than the prevalence of scores of zero on the PGSI short-form.’
- 5.4.9 The report states: ‘we do not recommend that the PGSI short-form be utilised in clinical settings. We also do not recommend that the PGSI short form be used to identify or track changes in the sociodemographic characteristics of problem gamblers in the population because of its imprecision.’
- 5.4.10 There is also evidence that both PGSI short-form and full-form are liable to at least slightly overstate the prevalence of problem gambling due to methodology.
- 5.4.11 The same report finds: ‘it is reasonable to presume that describing the survey as a ‘gambling’ survey (as is typically done) creates a sampling bias by causing greater participation by gamblers who are interested in this topic and greater refusal by non-gamblers who are not interested. This is exactly what Williams and Volberg (2009, 2010) found, with the rate of problem gambling approximately 2.27 times higher when the study was described as a ‘gambling survey’ compared to an identical survey that was described as a study about ‘health and recreational activities’.
- 5.4.12 We believe this sampling error still applies to PGSI data collection: the report finds that the BGPS surveys have been described to respondents as a ‘National Study of Gambling Attitudes and Activities’, and as a survey of ‘Leisure Time: Lottery and Recreation’.

⁴⁴ ‘Developing a Short Form of the PGSI: Report to the Gambling Commission’ (Gemini Research, 2012)

6. Conclusion

- 6.1 The ABB contends that future measures committed to by the industry that build on effective measures already in place, should have a significant bearing on the outcome of the review and shape the Government's position.
- 6.2 In April 2016, the RGSB set out its vision for minimising gambling related harm during the period 2016/2017 to 2018/2019. The ABB strongly supports the RGSB's vision and was able to map a number of ABB responsible gambling initiatives, committed to by ABB members, to the strategy and set out the timescale for implementation of these initiatives during the time period of the strategy.
- 6.3 The ABB's view on the need to consider planned responsible gambling activities as set out in section 2 of this question, the ABB contends that the Government should be cognisant of further technological developments that may be effective in helping to achieve its stated objectives.
- 6.4 Should the Government decide to reduce maximum stakes on B2 machines, there would be expected to be a decline in the number of LBOs in Great Britain. The ABB contends that such a decline would have a negative impact on the broader high street and reduce footfall.
- 6.5 The ABB contends that payments from the high street betting industry to the UK horse and greyhound racing industries would significantly decline as a reduction in B2 stake/prize levels would result in the closure of LBOs.
- 6.6 The ABB's third-party literature review of machine gaming research found no evidence of causation of problem gambling by stake sizes on gaming machines or elsewhere
- 6.7 There is no study that shows causation between stake size and harm in any form of gambling
- 6.8 A study of PGSI data shows that it is incorrect to state that problem gambling is rising in Great Britain

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.

1. Introduction:

- 1.1 For the purposes of answering this question, the ABB understands the Government's objective to be "...to look across the industry and determine what, if any, changes are needed to strike the right balance between socially responsible growth and the protection of consumers and wider communities."
- 1.2 Given the Government's objective, the ABB contends that there should be no change in the number and location of current gaming machine allocations in relation to B2 and B3 category machines that are located in LBOs. Further, we contend that current gaming machine allocations associated with categories of machine not normally located in a LBO should also be maintained at current levels.

2. Maintaining B2 and B3 machine allocations in Licensed Betting Offices (LBOs)

- 2.1 LBOs have been limited by legislation to four B2/B3 machines per shop since the implementation of the 2005 Gambling Act. Levels of machine utilisation vary depending on the time of day and location of the shop. At busy times, it is quite possible for all 4 machines in a shop to be in use, at other times of day the machines may not be utilised.
- 2.2 The ABB contends that demand for B2/B3 gaming in LBOs is broadly being met by the current allowance of 4 machines per shop and the current scale of the LBO estate reflects, in part, current demand for machines.
- 2.3 The ABB further contends that, on the basis that maximum stakes and prizes on machines remain at current levels, current gaming machine allocations for LBOs should remain unchanged.

3. Implications of any decrease in the number of B2/B3 machines in LBOs

- 3.1 As stated in Section 2 above, the current allocation of four B2/B3 machines in LBOs is sufficient to meet current demand, on the basis of the current number of LBOs in Great Britain.
- 3.2 Any reduction in the number of machines permitted in LBOs will result in reduced supply of gaming machines and an inability to meet demand, primarily at times of peak usage. Clearly, this would significantly undermine the Government's objective of socially responsible growth and the impact is demonstrated by KPMG research set out below.

3.3



3.4



3.5




3.6



3.7



<http://www.gamblingcommission.gov.uk/pdf/Gambling-industry-statistics-April-2013-to-March-2016.pdf>

- 3.8 The reduction in gross win from machines in betting shops set out above, should not be taken to infer that there would necessarily be a reduction in machine gambling if there were reduction in B2/B3 machine numbers in LBOs. Instead displacement would most likely occur to B3 machines.
- 3.9 With B3 machines available in Adult Gaming Centres (AGCs), any reduction in the capacity of betting shops to meet machine gaming demand is likely to see B3 players displaced to AGCs. This would be a perverse outcome and fundamentally undermine the Government's objective of protecting consumers and wider communities, given the far lower standards for responsible gambling applying in AGCs. In particular, the ABB would highlight the absence of mandatory alerts in AGCs, the inability to set voluntary limits and the lack of responsible gambling messaging on top screens.
- 3.10 Similarly, evidence from data gathered around the move to a £50 journey in 2015 suggests that further undesirable outcomes may result from reducing the number of gaming machines in LBOs.
- 3.11 Machine data shows that following the introduction of restrictions on players staking above £50, there was a significant increase in the volume of staking at below £50 levels and a consequent increase in the number of machine gaming sessions lasting over 45 minutes. The unforeseen consequence of this appears to have been a reduction in the number of gaming machine sessions lasting less than 10 minutes. The ABB believes this is caused by "crowding out" whereby those seeking to play for a short period of time, struggle to get on machines at peak times and play for longer when they are able to access a machine, as they know they will struggle to access a machine at a future point, after they have ended their session. The crowding out effect also sees the displacement of some players to other sectors due to the increased levels of machine utilisation during peak times.
- 3.12 
- 3.13 The ABB believes that any change in machine number allocations that discourages players from playing for short periods of time significantly undermines the Government's objective of protecting consumers and wider communities.
- 3.14 Having a reasonable level of supply to meet expected demand is a core principle of free market economics and helps ensure that there are no adverse, unintended consequences by reducing supply below that of consumer demand. The ABB contends that potential adverse consequences might include the growth of illegal gambling venues, displacement of players to venues with lower standards for responsible gambling and potential crowding out of those seeking to play for a short period of time.

4. Changes in the number and location of current gaming machine allocations in non-LBO locations

4.1 The ABB contends that any change to gaming machine allocation in non-LBO locations should only take place if the appropriate levels of staffing, mandatory alerts and voluntary limit setting capabilities are in place so as to ensure responsible gambling. We restate here, our belief expressed in response to Questions 1 and 2 that the DCMS and Gambling Commission should consider mandating responsible gambling measures implemented by the ABB for all venues providing Category B and C gaming machines. The ABB contends this is especially important given that 41% of all gaming machines are in arcades yet they represent just 16% of venues in the non-remote sector⁴⁷.

4.2 The ABB further notes the relative proportion of machines to venue numbers⁴⁸:

Machine category	Casino	Betting	Bingo	Arcades	Total
B1	2,812				2,812
B2	200	34,684			34,884
B3	1	52	11,437	9,532	21,023
B4			124	54	178
C		33	43,410	28,503	71,946
D			6,252	30,746	36,997
Percentage of total gambling venue numbers	1%	78%	5%	16%	100%
Percentage of total gaming machine numbers	1.7%	20.7%	36.4%	41.0%	100%

5. Conclusions

5.1 Based on current levels of maximum stakes and prizes for gaming machines located in LBOs, the ABB contends that there should be no change in the number and location of current gaming machine allocations in relation to B2 and B3 category machines that are located in LBOs.

5.2 The ABB contends that evidence strongly supports the view that the Government's objective of socially responsible growth would be significantly undermined if there were to be a reduction in the number of gaming machines in LBOs as this would result in the closure of shops and would have a significant financial impact on horse and greyhound racing (as set out in response to Q3 section 4.2).

5.3 Evidence further suggests that a reduction in the number of gaming machines would have a detrimental impact on the Government's objective of protecting consumers and communities through displacement to other gambling activities.

⁴⁷ Gambling Commission, *Industry Statistics April 2013 – March 2016*, <http://www.gamblingcommission.gov.uk/pdf/Gambling-industry-statistics-April-2013-to-March-2016.pdf>

⁴⁸ Gambling Commission, *Industry Statistics April 2013 – March 2016*, <http://www.gamblingcommission.gov.uk/pdf/Gambling-industry-statistics-April-2013-to-March-2016.pdf>

- 5.4 The ABB contends that any change to gaming machine allocation in non-LBO locations should only take place if the appropriate levels of staffing, mandatory alerts and voluntary limit setting capabilities are in place so as to ensure responsible gambling.

Q5. What has been the impact of social responsibility measures since 2013, especially on vulnerable consumers and communities with high levels of deprivation? Please provide evidence to support this position.

1. Introduction

- 1.1 Since 2013, members of the ABB and the high street bookmaking industry more generally have introduced a range of new and enhanced social responsibility measures to encourage responsible gambling and provide protection for vulnerable consumers and communities. In answering this question, our primary focus is on the impact of measures on vulnerable consumers, however wherever it has been possible to measure their impact on vulnerable communities we have done so, primarily by considering variations in player behaviour set against measures of community deprivation.
- 1.2 The majority of social responsibility measures adopted by ABB members are encapsulated in, and enforced by, the ABB Responsible Gambling Code (first introduced in 2013 and updated subsequently). In addition to measures in the Code, initiatives such as the ABB Player Awareness System (PAS) have been introduced and also a Responsible Gambling Roadmap has been prepared, setting out future responsible gambling/social responsibility measures that the ABB will be undertaking over the next two years and in the light of the recent RGSB strategy. The PAS and evidence for its effectiveness is outlined in the ABB response to Question 2 of the *Call for Evidence*; the ABB Responsible Gambling Roadmap is outlined in the ABB response to Question 3 of the *Call for Evidence*.
- 1.3 No single social responsibility measure has been designed as a “cure all” for the range of potential issues related to gambling experienced by vulnerable individuals and communities. Instead, responsibility measures have been designed to work in unison and to provide a suite of tools and interventions of complementary value to individuals and communities, depending on the nature of their vulnerability.
- 1.4 The development of social responsibility measures is an iterative process, with existing measures being evaluated and new measures being developed and tested. The ABB Responsible Gambling Committee is the primary forum for considering the effectiveness of measures, and the potential for the development of new interventions.

2. Social responsibility measures introduced since 2013

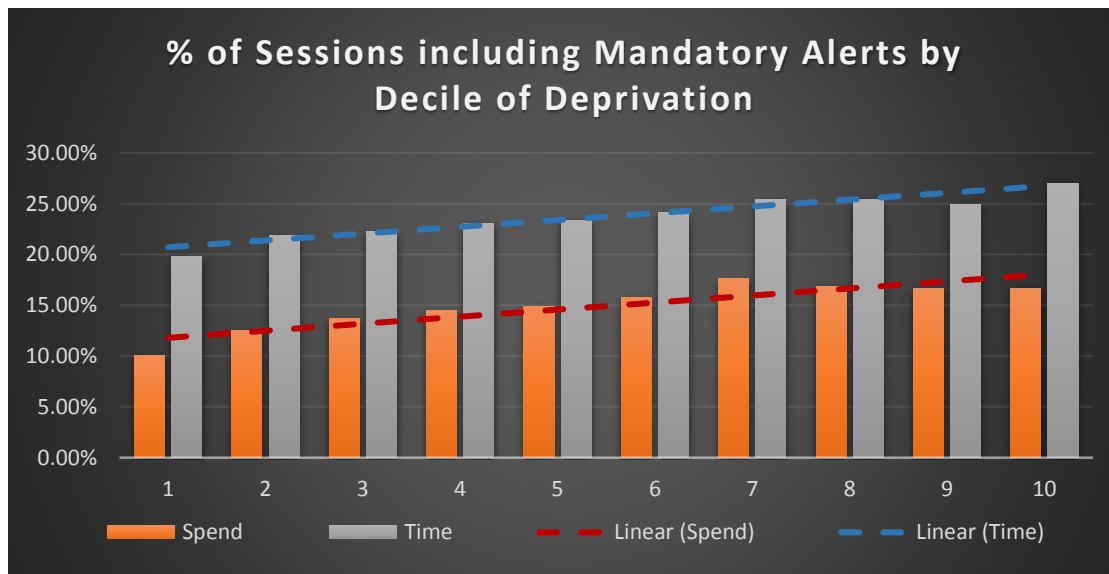
- 2.1 *Mandatory alerts and voluntary limits on time and spend*
- 2.1.2 In our response to Question 2, the ABB sets out the nature, and provides evidence for the effectiveness, of mandatory alerts and voluntary limits on time and spend.
- 2.1.3 In addition to that information, we set out below information on the frequency of mandatory alerts being triggered and voluntary limits being set. We then match this data against Government statistics on deciles of deprivation.
- 2.1.4 The table below sets out combined information from Scientific Gaming and Inspired in relation to alerts on their gaming machines covering the period from 1st July to 31st October 2016. The data covers England only, as Scotland and Wales have different measures of deprivation that use different metrics and indices. England represents the largest data sample. In the table below, decile 1 covers areas with the highest levels of deprivation, while decile 10 covers areas with the lowest levels of deprivation.

IMD Decile	Mandatory Alerts		Voluntary Alerts	
	% Sessions including a Spend Alert	% Sessions including a Time Alert	% Sessions including a Spend Alert	% Sessions including a Time Alert
1	10.08%	19.79%	2.20%	2.08%
2	12.55%	21.84%	2.70%	2.58%
3	13.67%	22.27%	2.84%	2.73%
4	14.47%	23.08%	2.79%	2.68%
5	14.89%	23.37%	2.75%	2.65%
6	15.75%	24.12%	2.59%	2.52%
7	17.62%	25.38%	2.79%	2.68%
8	16.84%	25.45%	2.64%	2.52%
9	16.67%	24.94%	2.52%	2.41%
10	16.68%	27.03%	2.89%	2.82%

Source: SG and Inspired combined data

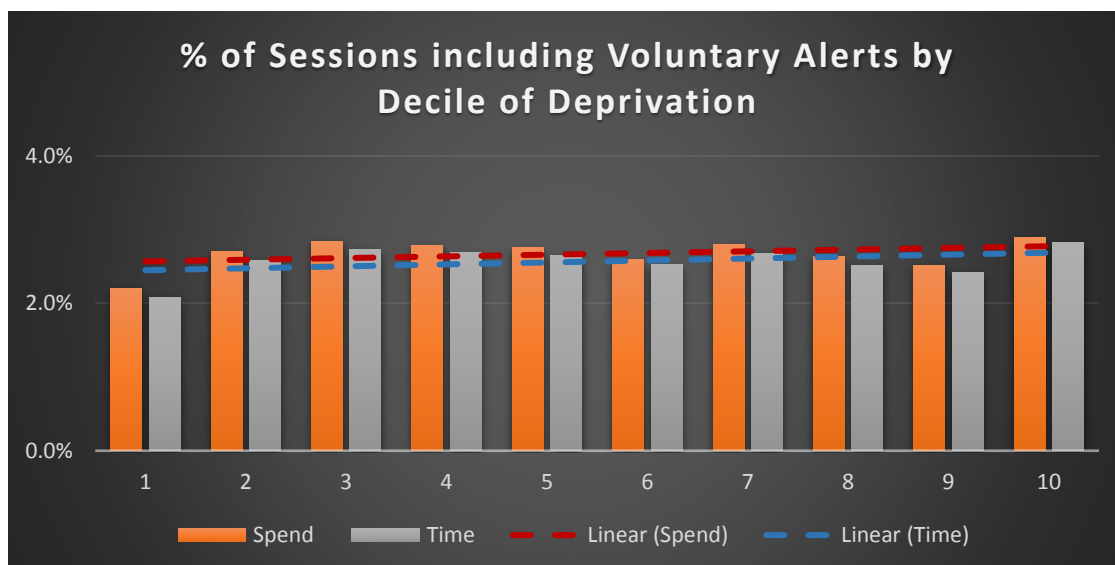
- 2.1.5 It can be seen that relatively fewer sessions see mandatory alerts being triggered in areas of highest deprivation. It seems likely that this is due to lower levels of staking and time spent on machines in areas with the highest levels of deprivation. It can also be seen that in general as levels of deprivation decrease, the percentage of sessions triggering mandatory alerts in terms of spend and time increases.
- 2.1.6 Voluntary limits are set at similar levels across indices of deprivation. This may indicate a uniform level of desire across all deprivation levels to closely control amounts of time and money spent on gaming machines in LBOs.
- 2.1.7 It should be noted that mandatory alerts and voluntary limits apply to both players using B2 content and B3 content in LBOs.

2.1.8 The below chart plots mandatory time and spend alert levels and clearly demonstrates the trend in alerts increasing as the decile increases.



Source: SG and Inspired combined data

2.1.9 The below chart plots voluntary time and spend alert levels and demonstrates a uniform level of number of alerts being set across all deciles.



Source: SG and Inspired combined data

2.2 *Improved staff training on social responsibility issues*

- 2.2.1 Responsible Gambling Interactions (RGIs) provide a very useful metric for measuring staff engagement in social responsibility and the actions they take should a social responsibility issue arise.
- 2.2.2 All operators must record the number of RGIs carried out in shops and report them to the Gambling Commission on a regular basis as part of their regulatory return reporting. For the largest operators this occurs on a quarterly basis and for smaller operators on an annual basis.
- 2.2.3 As can be seen from the data below⁴⁹, the number of RGIs recorded has significantly increased since the implementation of the industry measures on machines in March 2014, from 12,439 in Q4 2013 (prior to implementation) to 58,180 in Q2 2016. This indicates that staff are already better at knowing when customers are exhibiting signs they may be at risk, and consequently better able to carry out RGIs, which may include signposting to support services or the provision of responsible gambling information.

Number of customer interactions	Oct-Dec 2013	Jan-Mar 2014	Apr-Jun 2014	Jul-Sep 2014	Oct-Dec 2014	Jan-Mar 2015
	12,439	271,154	482,078	85,043	61,617	70,910
	Apr-Jun 2015	Jul-Sep 2015	Oct-Dec 2015	Jan-Mar 2016	Apr-Jun 2016	
	57,199	47,687	43,558	43,545	58,180	

Note: The figures for Q1 and Q2 2014 should be discounted because this represents a period where staff at some operators were recording all instances of demonstrating the new gaming machine limit setting function to customers as an RGI; these are no longer recorded as RGIs.

2.3 *Measures on marketing of gambling products*

- 2.3.1 Like all advertising, gambling advertising is strictly regulated and operators must adhere to the Advertising Standards Authority-administered Codes of Practice. The industry has committed to going beyond these requirements through implementation of additional ABB Code measures and the additional Gambling Industry Code on Socially Responsible Gambling. The ABB's largest members (by number of shops) are also signatories to the Senet Group advertising code.
- 2.3.2 Specific measures introduced by the ABB since 2013 include ABB code requirements that:
- There must be no gaming machine advertising in shop windows
 - All ABB members must adhere to the cross-industry Gambling Industry Code on Socially Responsible Advertising
 - No ABB member will advertise free bets as sign-up incentives on TV before the 9pm watershed
- 2.3.3 The nature of these measures makes it very difficult to provide evidence on their effectiveness and they should be viewed as working in conjunction with other responsible gambling initiatives.

⁴⁹ Data provided by the ABB's four largest members: William Hill, Ladbrokes, Coral, Paddy Power Betfair

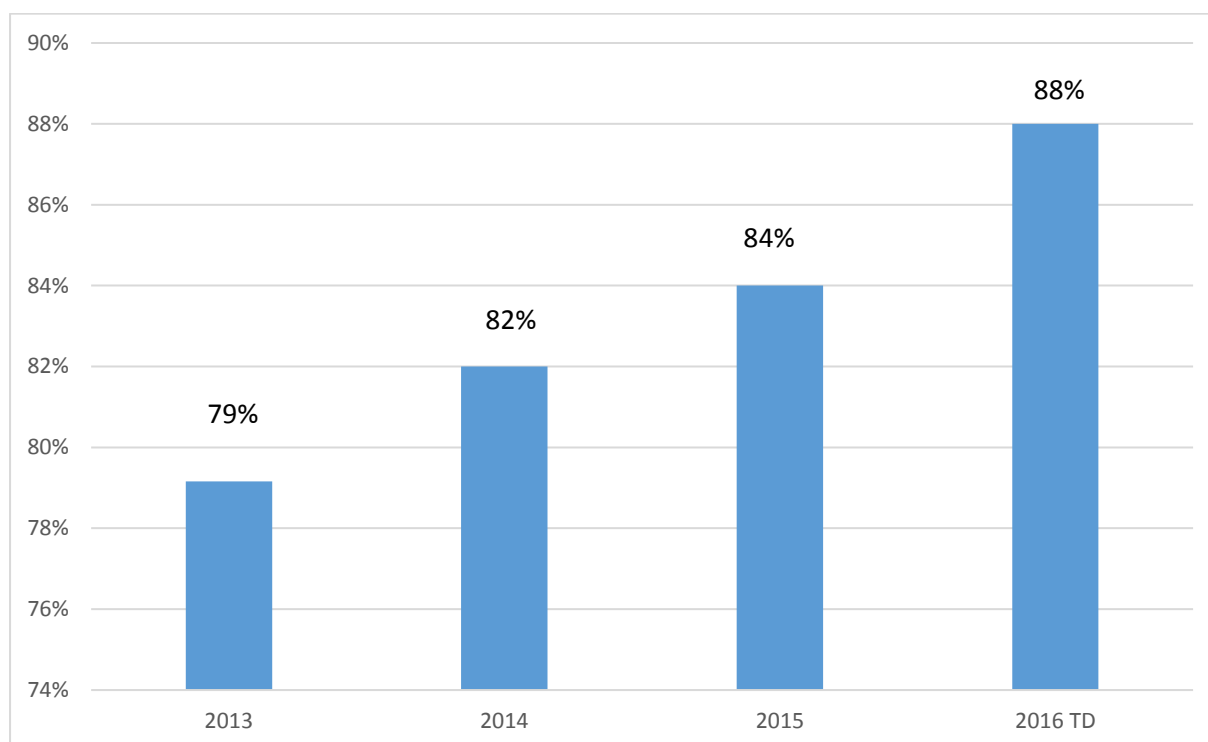
2.4 *Improved age verification testing*

2.4.1 All betting shop operators undertake age verification testing programmes. These are undertaken by independent, third party organisations.

2.4.2 For ABB Members, the tests for major operators and independent operators are carried out by the market leading ID and compliance testing service in the UK, *Serve Legal*. All results are shared with the Gambling Commission and the tests are carried out in line with Commission guidance.

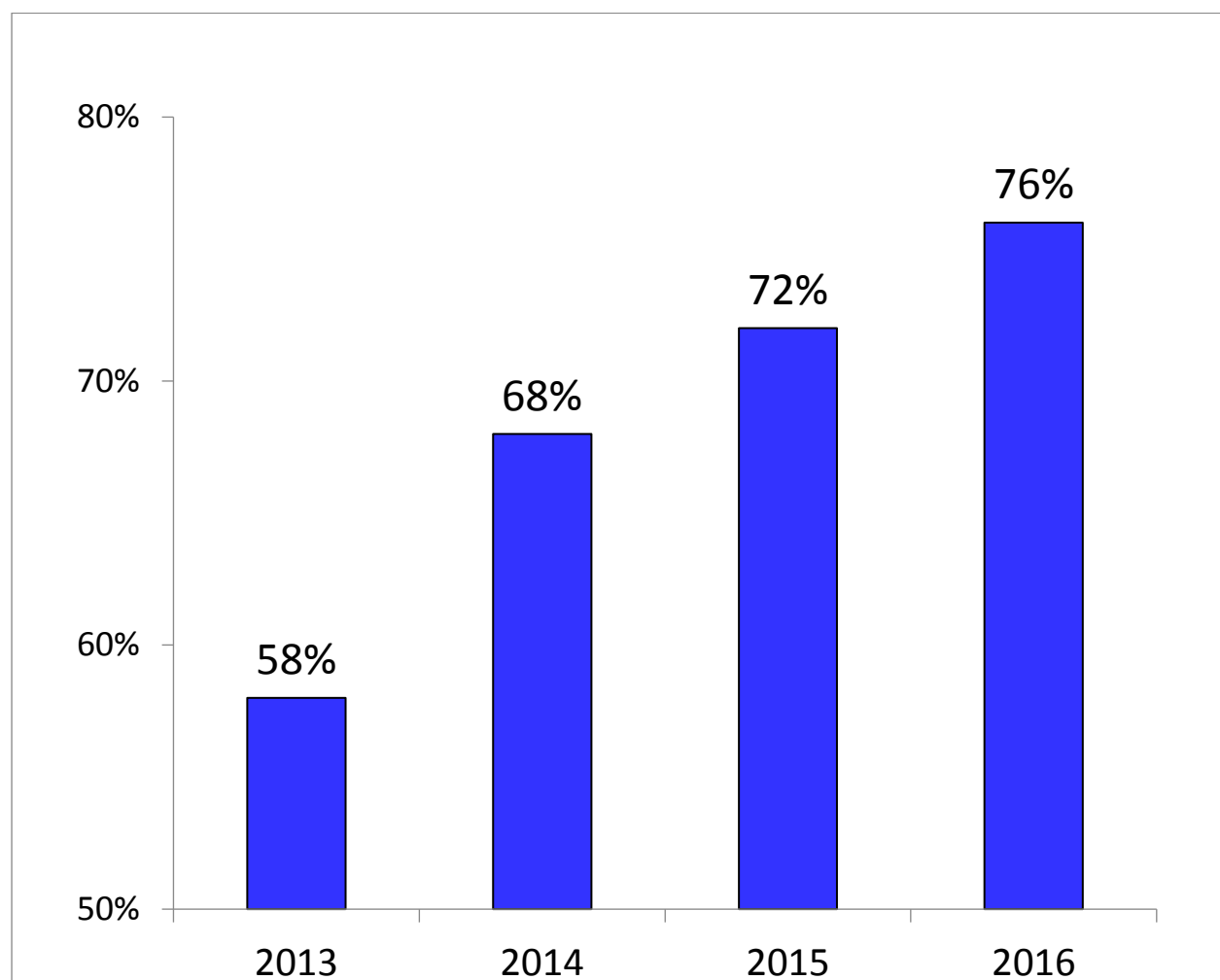
2.4.3 Since 2013 all ABB members have placed increased emphasis on ensuring age verification is at the heart of their business and have ensured rigorous testing of age verification procedure. The results in the table below demonstrate a significant improvement in both pass rates and challenges on entry since 2013 for all ABB members.

The following figures show overall pass rates from 2013 to September 2016:



- A pass is when someone is challenged to show proof of their age at any point once in the shop, up to and including placing a bet at the counter.
- A fail is if someone is able to place a bet or play on a machine and leave the shop without being asked for proof of age.

The following figures show Challenge on Entry pass rates since 2013:



- Challenge on entry is where someone is challenged to show proof of their age as soon as they have entered the shop.
- This shows a **32%** increase in Challenge of entry results since 2013.

Data for both tables is supplied by *Serve Legal*.

- 2.4.4 The latest November 2016 Gambling Commission data on 'underage challenges' shows that betting shops made the highest number of underage challenges, at 545,689 (where the individual was unable to prove their age) from April 2014 to March 2015. This can be compared to arcades, the second highest, with 29,983 challenges over the same period.⁵⁰
- 2.4.5 November 2016 data outlines 'underage test purchasing' results for the five largest betting operators accounting for over 90% of premises⁵¹. In the first 6 months of 2016, testers were challenged before they were able to gamble in 78% of cases, and at any point in 89% (including when a tester was playing a gaming machine or placing a bet at a counter). This is

⁵⁰ Gambling Commission Industry Statistics, November 2016

<http://www.gamblingcommission.gov.uk/pdf/Gambling-industry-statistics-April-2013-to-March-2016.pdf>

⁵¹ 'Young People and Gambling 2016: A research study among 11-15 year olds in England and Wales, November 2016' (Gambling Commission, 2016)

an improvement since 2015, from 73% and 85% of cases. (This Gambling Commission ‘underage test purchasing survey uses ‘Think 21’ tests by mystery visitors aged 18-19, who attempt to play a gaming machine after a ‘browsing’ period: if they have not been challenged to that point, they go to the counter to try to place a bet.)

- 2.4.6 This recent data also suggests that young people are considerably less likely to enter bookmakers’ shops than other sectors. In the November 2016 data, the survey ‘Gambling in the past seven days’ showed that while the highest proportion, 5%, had spent money on ‘Fruit machines (e.g. at an arcade, pub or club)’, those ‘Playing other gambling machines’ or ‘Personally placing a bet at a betting shop (e.g. on football)’ were much lower, at 1%.

2.5 *Cross industry self-exclusion schemes*

- 2.5.1 Cross industry self-exclusion has been in place for the LBO sector since April 2016. Prior to the introduction of cross industry self-exclusion, numbers of self-exclusions were relatively steady and fluctuated consistently around the level of 5,000-6,000 self-exclusions per quarter.

- 2.5.2 As is demonstrated in the table below, since the introduction of cross industry self-exclusion in the LBO sector, the number of self-exclusions has risen sharply and to the point where over 6,900 individuals were self-excluded in each of the quarters following its introduction.

Number of self-exclusions	Oct-Dec 2013	Jan-Mar 2014	Apr-Jun 2014	Jul-Sep 2014	Oct-Dec 2014	Jan-Mar 2015
	4,700	5,398	6,328	5,980	5,746	5,971
	Apr-Jun 2015	Jul-Sep 2015	Oct-Dec 2015	Jan-Mar 2016	Apr-Jun 2016	Jul-Sep 2016
	5,907	4,979	5,138	5,712	6,993	6,907

- 2.5.3 Cross industry self-exclusion has clearly encouraged many individuals who had previously not self-excluded to undertake self-exclusion. The success of the new system in LBOs may also be significantly influenced by ensuring its operational effectiveness by piloting the scheme in Glasgow from July 2015 and in London from December 2015, before a national soft roll-out in March 2016 and a formal national launch in April 2016.

2.6 *Gambling Commission new social responsibility requirements introduced in May 2015*

- 2.6.1 Following consultation in 2014, the Gambling Commission introduced a number of changes to the social responsibility requirements placed on operators under the Licence Conditions and Codes of Practice (LCCP). These are the most substantial changes since the introduction of LCCP in 2005, and have placed significant additional social responsibility requirements on operators.

- 2.6.2 As well as ratifying requirements for bookmakers which already existed for ABB members under the ABB Responsible Gambling Code, such as regular responsible gambling training for staff and participation in third party age-verification testing, there were a number of other changes. These included: a new requirement for operators to complete Annual Assurance Statements; the measurement and tracking of progress in social responsibility; a new

requirement for multi-operator self-exclusion; and a new requirement for operators to carry out and make available local risk assessments for each premises; as well as a raft of more minor amendments.

- 2.6.3 To meet and exceed this considerable shift in social responsibility requirements, across a range of areas, operators have dedicated significant time and resource. It is important these changes are fully understood before any further changes are made. Additionally, whilst the majority of processes came into effect in May 2015, most of the new requirements on bookmakers, as listed above, were effective from April or May 2016, and so are only in the first iteration of their implementation; further improvements to all the new systems in place will necessarily be forthcoming as lessons are learned.

3. Conclusions

- 3.1 The proportion of mandatory alerts triggered during sessions on B2/B3 gaming machines demonstrate the lower staking levels and time spent on machines in areas of higher deprivation.
- 3.2 The number of time and spend voluntary limits set are uniform across all deprivation deciles.
- 3.3 The increased number of RGIs since 2013 suggests that staff training and the encouragement of staff to engage with those who may be experiencing a problem with their gambling has been effective.
- 3.4 There has been a material improvement in scores achieved for age verification testing undertaken by the independent, third-party *Serve Legal* across ABB member estates.
- 3.5 There has been a material increase in the number of individuals self-excluding since the introduction of cross operator self-exclusion in April 2016.

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

1. Introduction:

- 1.1 For a number of years, ABB members have been at the forefront of developing and trialing new initiatives in relation to social responsibility measures on gaming machines and the LBO environment in which machines are operated. The value and effectiveness of these measures is set out in our responses to questions 1-4 of this *Call for Evidence*.
- 1.2 In part due to the advances made by ABB members, but also partly due to the failure of non-LBO sectors to introduce similar measures, the ABB is concerned that there is an increasing disparity in the protection measures that are afforded players of identical machine formats, depending upon the nature of the venue where play is taking place.
- 1.3 The ABB suggests that there is a role for the Gambling Commission and DCMS in encouraging or requiring venues to adopt measures that have been found to be effective in other classes of venue and contends that there should be increased pressure on sectors outside the LBO sector to develop and trial new responsible gambling measures.

2. Variance in social responsibility measures

- 2.1 The table below sets out social responsibility measures that apply in different land based gambling operators:

Venue / measures in place	ABB member LBOs	ABB non-member LBOs	Adult Gaming Centres	Casinos
Responsible gambling training for staff	✓	✓	✓	✓
Multi-operator self-exclusion	✓	✓	✓	✓
Limit setting on all gaming machines	✓	✓	✗	✗
Mandatory time and spend alerts on all gaming machines	✓	✓	✗	✗
Responsible gambling messaging on all gaming machine top screens	✓	✓	✗	✗
No gaming machine advertising in venue windows	✓	✗	✗	✗
No ATM on premises	✓	✗	✗	✗
Alcohol served on premises	✗	✗	✗	✓

- 2.2 It can be seen from the table that even within the LBO sector the customer experience and protections afforded by social responsibility measures can be different, with non-ABB member shops continuing to offer ATMs on the premises and advertising machines in shop windows. Even more extreme disparities can be seen when considering sectors such as Adult Gaming Sector, where B3 content is offered with none of the protections on machines afforded to players by ABB members, combined with very high levels of aggressive machine advertising in windows and ATMs available on premises.

3. Industry commitment to research

- 3.1 The ABB and its members, including gaming machine manufacturers, have maintained significant input into independent research related to responsible gambling throughout the period since the last Triennial Review in 2013. The majority of this support has come via the provision of large amounts of gaming machine and player data, in conjunction with gaming machine suppliers SG and Inspired as well as direct from operators.
- 3.2 This commitment has been both time and resource intensive, but we remain supportive of such research because we believe providing data at this level is vital to securing further insights into the understanding and measurement of the propensity for harm. The table below summarises ABB member provision of data for the purposes of independent research over this period.

3.3

Data project	Industry involvement
Research into Category B Gaming Machines located in British Bookmakers: RGT (now Gamble Aware) published seven reports on 1 December 2014 in relation to its programme of research into Category B gaming machines.	Data from 6.5 billion bets on gaming machines from the UK's five largest high street bookmakers was supplied by gaming machine suppliers SG and Inspired, while operators provided access to 4,727 loyalty card holders and their loyalty card data for survey purposes.
A spatial investigation into bookmakers using industry data, published by the RGT in 2015.	RGT published geographic analysis of the location of licensed betting offices (LBOs) with gaming machines based on the studies conducted by NatCen Social Research and Featurespace, and published by the RGT in December 2014 (listed above).
Initial impact assessment of ABB Code, published by the RGT in May 2015. An independent assessment by NatCen Social Research of the ABB 'Code for Responsible Gambling and Player Protection'.	Operators and gaming machine suppliers attended workshops and provided machine data to support this research.
Secondary analysis into Category B2 and B3 gaming machines, published by the RGT in May 2016	Utilising the same data and information as provided for the 2014 RGT research publications, the research assesses further questions in relation to B2 and B3 machines

Evaluation of the player awareness system implementation, published by the RGT in October 2016	Operators provided data on the workings of their individual PAS systems to inform a study by PwC to independently evaluate the ABB's "Player Awareness System" for gaming machines in licensed betting offices.
Further analysis of machine data to examine the impact of the £50 regulations, expected to be published by Gamble Aware in 2016-17	Gaming machine suppliers SG and Inspired supplied industry-wide machine data to facilitate this research which examines the impact of the £50 regulations.
A scoping investigation of eye-tracking in Electronic Gaming Machine play in bookmakers, expected to be published by Gamble Aware in Q4 2016	SG and Inspired both supplied data and a machine to support the research, and also spent time with the researcher and his team. Coral provided access to betting shops, staff and customers taking part in the study over 4 to 6 weeks during summer of 2015.
Research into Responsible Gambling Industry Initiatives, commissioned by Gamble Aware	As a member of the Industry Group for Responsible Gambling, the ABB and members will be supporting this research addressing product information messaging, play information messaging and staff training.

- 3.4 The importance of the research that has been completed with industry co-operation should not be understated. The outputs of this research have contributed substantially to the evidence base relating to B2 machines and provided a granularity of information that provides significantly improved insights into player behaviour. Operators have been able to act on the findings of the research to adapt or build new systems which offer improved player protection as a result. This includes the Player Awareness Systems which are based on the finding that 'markers of harm' can be identified in account-based players' player history data.
- 3.5 For the future, the ABB contends that greater research resource should be focused on player-level behaviours across different classes of venue and different categories of machine. Problem gamblers use multiple gambling formats, and the development of a picture of how problem gamblers behave in different classes of venue could provide valuable insights into the potential for new responsible gambling initiatives that could be implemented across the gambling industry.

4. The Senet Group

- 4.1 The ABB's four largest members founded the Senet Group in January 2015. Members are bound by the Group's enforceable responsible commitments⁵², which are overseen by an independent standards commissioner and board. Its membership has expanded since formation to include organisations from beyond high street bookmaking, including online only operators and bingo.
- 4.2 The Senet Group commitments ensure that the marketing of gambling is socially responsible, and Senet has also funded large scale responsible gambling advertising campaigns, including national television campaigns. This work has raised the prominence of responsible gambling amongst consumers-an important aspect of reducing gambling-related harm.
- 4.3 The Senet Group conducts a twice-yearly survey operated by Bilendi (an independent research company) using a nationally representative sample of 2,000 adults. The most recent survey data from October 2016 indicates that three quarters of regular gamblers are aware of the Senet Group campaigns to promote responsible gambling, as well as 50% of the general public (well above the 20% awareness which ICM report would be typically expected for a campaign of the same cost). The take-up of the responsible gambling messages promoted in the TV advertising campaigns run by Senet have been particularly strong, with both the 'Betting Shop' and 'Bungalow' TV ads (set to the 'Bad Betty' theme track) scoring at least 80% amongst respondents when asked to recall the key messages.
- 4.4 As a result of the TV advertising campaigns, survey respondents reported that 20% of them had warned other people about their gambling (even if only jokingly), as a result, and 12% had used the phrase: "When the fun stops, stop" or the hashtag #whenthefunstopsstop. When factoring campaign recognisers against the total UK population this equates to 5.1 million and 3.1 million people, respectively. 37% of regular gamblers responded that the campaign had made them think about their gambling, with 18% of regular gamblers (or 11% of the general population – equal to 2.8 million adults) saying it had led to them stopping gambling more than they should, at least once.
- 4.5 Importantly, the survey data shows that campaign recognition has steadily grown amongst both regular gamblers, and the population at large, since launch. This demonstrates the progress which can be made over time, and as more operators join. The government could urge more operators to join the Senet Group and sign up to their commitments, which would ensure wider exposure to responsible gambling marketing amongst consumers and potentially lead to wide positive impacts.

⁵² <http://senetgroup.org.uk/complaints/enforceable-commitments/>

5. Debit, credit and contactless payments

- 5.1 The ABB is aware of significant pressure from the Adult Gaming Centre industry for the Gambling Commission to permit the use of debit cards directly on gaming machines and for permission to be granted that would allow contactless payments on machines.
- 5.2 ABB members consider that such a move would be a significantly retrograde step in terms of socially responsible gambling and therefore we strongly oppose the use of debit cards directly on gaming machines.
- 5.3 The ABB further contends that permitting debit cards to be used on gaming machines would encourage Adult Gaming Centres to further reduce staff levels leading to even lower ratios of staff per machine and further reduce the potential for responsible gambling interactions.
- 5.4 The ABB Code of Responsible Gambling mandates that our members do not have an ATM on their premises. This sets our members apart from casinos where ATMs permit withdrawals using debit and credit cards, and arcades and Adult Gaming Centres, where ATMs permit withdrawals just on debit cards.

6. Conclusions:

- 6.1 There is increasing divergence in the nature and quality of social responsibility measures adopted by different classes of venues. DCMS and the Gambling Commission should require standards to be raised in line with ABB member initiatives.
- 6.2 ABB members have made available significant levels of data for research by independent third-parties during the past three years. The ABB contends that similar research should be undertaken for B1 machines in casinos and B3 machines in Adult Gaming Centres. The ABB also contends that further research should be undertaken at a player-level, thus permitting insights into behaviours across multiple classes of venue.
- 6.3 The Senet Group has had a positive impact on awareness of the importance of responsible gambling and on the enforcement of socially responsible measures around the marketing of gambling.
- 6.4 The use of debit cards directly on machines and contactless payments on machines should not be permitted, as this would represent a significant retrograde step in terms of socially responsible gambling.

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?

1. Response

- 1.1 The Government are inviting evidence on gambling advertising and specifically ‘...whether existing rules on gambling advertising are appropriate to protect children and vulnerable people...’.
- 1.2 The ABB considers that the primary focus for this question is advertising on television. ABB members do not advertise LBOs on television. While some of our members also operate remote betting platforms that do advertise on television, this aspect of their business does not fall within the remit of the ABB.
- 1.3 Advertising related to LBOs, relates primarily shop window advertising and print advertising.
- 1.4 All ABB members are bound by the Advertising Standards Authority administered Codes of Practice. In addition the industry has committed to adherence to ABB Code measures and the additional Gambling Industry Code on Socially Responsible Advertising including:
 - There must be no gaming machine advertising in shop windows.
 - All ABB members must adhere to the cross-industry Gambling Industry Code on Socially Responsible Advertising.
 - No ABB member will advertise free bets as sign up incentives on TV before the 9pm 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?

1 Introduction

- 1.1 The ABB wishes to set out two key issues that are relevant to this call for evidence, which are often cited in the media or in Parliament:
- Crime associated with betting shops
 - Working with Local authorities
- 1.2 The evidence shows that betting shops have far lower levels of crime than other high street retailers and that very few councils have demonstrable concerns about betting shops.

2 Crime associated with betting shops

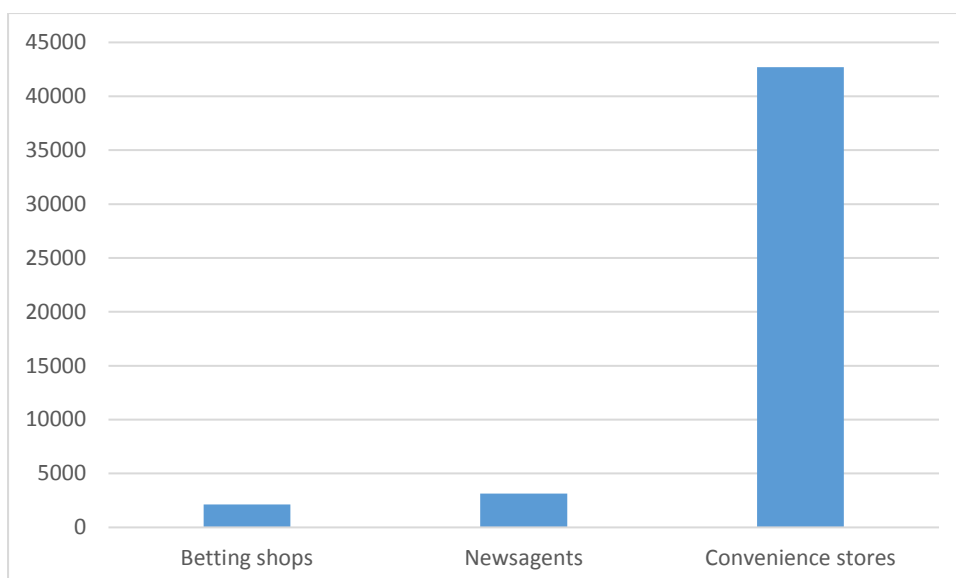
- 2.1 Crime associated with betting shops is no higher than other high street retailers, such as convenience stores or newsagents.
- 2.2 The ABB has collated the results of requests made under the Freedom of Information Act. The question asked each police force the following questions:
- *Please provide figures showing the number of occasions the police were called to attend a betting shop because of a crime that occurred within its premises in the last six months*
 - *Please provide figures showing the number of occasions the police were called to attend a newsagents because of a crime that occurred within its premises in the last six months*
 - *Please provide figures showing the number of occasions the police were called to attend a convenience store because of a crime that occurred within its premises in the last six months*

The six month period covers 1st April 2016 to 30th September 2016.

- 2.3 The responses, from 27 police forces, are as follows:

- Betting shops 2, 121
- Newsagents 3, 132
- Convenience stores 42, 696

The Freedom of Information responses are attached in Appendix 9.



2.4 The industry has made substantial progress in reducing crime in shops and preventing crimes from taking place in the first instance.

2.5 The Safe Bet Alliance (SBA) sets out a series of best practice guidelines for betting shop operators to follow. The SBA was developed in partnership with the Metropolitan Police, Community Union, the Institute for Conflict Management and other stakeholders, and was updated in 2014. It is kept under regular review.⁵³

2.5.1 The document sets out guidelines for betting shop operators on how to prevent crime, and provide evidence where a crime has occurred. It is a practical document, with advice covering the types of locks and furniture that is best to use, banking practices, and amounts of cash kept on the premises.

2.5.2 The SBA has received awards for the work it has done in helping reduce crime across betting shops.

- 2011: Winner - Home Office Tilley Award, for being an innovative crime fighting project where the police, community groups and the public successfully worked together to identify and tackle local problems
- 2014: Runner Up – Police Scotland Local Policing Awards
- 2016: Winner, Metropolitan Police Service ‘Police and Security’ Award, for providing intelligence that led to a reduction in robberies

In 2014, the SBA was endorsed by the then Association of Chief Police Officers (ACPO) and Community Union, which represents betting shop workers:

ACPO:

“The Safe Bet Alliance has proved to be not only an effective tool for reducing violent crime, but also a clear example of best practice for partnership working. The collaboration of police, bookmakers and other key stakeholders has led to an initiative that has stood the test of time.”

John Park, Assistant General Secretary, Strategy and Policy for Community Union:

“Community is pleased to be given an opportunity to play a constructive role in the development of these safety guidelines for betting shops. [This shows] that when industry and trade unions are prepared to work together in partnership that workplace safety improves significantly. We know that many betting shop workers are still concerned about their safety

⁵³ <http://abb.uk.com/responsible-gambling/safe-bet-alliance/>

at work and that is why the ongoing work of the Safe Bet Alliance is central to sustaining and enhancing safety in the industry.”

- 2.6 In addition, operators regularly work closely with police forces, local authorities and other retailers to address specific incidents. These range from local ‘Bet Watch’ schemes, which were established in response to specific incidents, to established working groups with police forces.
- 2.7 Close partnership working with Merseyside Police led to the “Robbery: Odds On You’ll Get Caught” campaign. This very significantly reduced the number of attempted armed robberies in Liverpool. The “Robbery: Odds On You’ll Get Caught” campaign has been taken up by other police forces, including Greater Manchester Police and Cheshire Police.⁵⁴⁵⁵
- 2.8 The ABB is introducing a new best practice system for reporting crimes to the police. Commencing from 1st January 2017, the protocol will require all members to report the following matters to the police:
 - *Robberies*
 - *Attempted robberies*
 - *Cash in transit robberies*
 - *Burglary*
 - *Violence or assault against the person**

For gaming machines and self-service betting terminals, the following incidents will be reported to the police:

- *Where malicious damage has occurred and the suspect remains on the premises or is known to staff*
- *Other incidents of malicious damage should normally be reported to the police, unless there is a significant lack of material evidence*
- *In other cases, incidents will be reported internally, but may be reported to the police where appropriate*

(*Subject to the victim’s wishes and consent)

3 Working with local authorities

- 3.1 ABB members work closely with local councils who have issues or concerns with betting shops.
 - 3.1.1 In 2015, the ABB signed a formal partnership with the Local Government Association, *LGA-ABB framework for local partnerships on betting shops*, setting out a commitment to a dialogue-based approach for Councils and operators.⁵⁶
 - 3.1.2 The framework sets out mechanisms for engagement and partnership working, building on existing tools and drawing on the successful experience of a number of areas. The intention of the framework is to provide councils and betting shops the opportunity to discuss and try to resolve a wide range of issues and concerns in a cooperative and open manner.

Launching the agreement, Cllr Tony Page said:

“Councils are not anti-bookies but many have concerns around the proliferation of shops on their high streets ...we might not agree on everything, there is a desire on both sides to increase

⁵⁴ <http://www.otsnews.co.uk/merseyside-police-crackdown-on-robberies-at-bookmakers/>

⁵⁵ <http://www.liverpoolecho.co.uk/news/liverpool-news/crackdown-launched-merseyside-betting-shop-11041716>

⁵⁶ http://www.local.gov.uk/publications/-/journal_content/56/10180/6896372/PUBLICATION

joint-working in order to try and use existing powers to tackle local concerns, whatever they might be.”

- 3.1.3 The ABB’s work with Local Authorities has led to improved responsible gambling policies. For example, the Medway Responsible Gambling Partnership with Medway Council led to the pilot of the first cross-operator self-exclusion scheme. Learnings from this process shaped the development of the national Multi-Operator Self-Exclusion scheme now in operation outlined in response to Question 2.

- 3.2 In a recent statement, the Local Government Association noted that some councils have complained of a lack of powers available to them to act on community concerns and limit the number of shops opening up in their area.

- 3.2.1 However, having reviewed the number of gambling premises inspections completed by local councils, 62% have done so less than 10 times in the past year; of which half had carried out no visits.⁵⁷

- 3.2.2 The same review found that only 22 councils (5%) visited a betting shop as a result of a complaint.

No inspection of a gambling venue in 2015/16	133 local councils
Fewer than 10 inspections of a gambling venue in 2015/16	104 local councils
Visits to a LBO as a result of a complaint in 2015/16	22

- 3.3 *93 Local Councils want to reduce stakes and prizes*

- 3.3.1 In 2014, Newham Council announced that 93 Councils had supported its campaign under the Sustainable Communities Act for a reduction in maximum stake on B2 gaming machines to £2⁵⁸. When evidence published by Newham Council was reviewed by the ABB, it was found that only 66 councils had responded to formally support the initiative.⁵⁹ Newham Council acknowledged that they were unable to provide written confirmation of support by all 93 Councils when responding to a Freedom of Information request.⁶⁰

- 3.3.2 In 2015, the Government rejected this proposal, saying:

*"We do not support Newham Council's proposal as we have already acted by introducing stronger gambling controls to further protect players and promote responsible gambling, in April. This includes putting an end to unsupervised stakes above £50 on FOBTs and giving more powers to local authorities to stop new betting shops opening up in their areas. The government will continue to monitor the effectiveness of existing controls and will take further action if necessary."*⁶¹

⁵⁷ <http://www.gamblingcommission.gov.uk/Gambling-data-analysis/Licensing-authority-statistics.aspx>

⁵⁸ <https://www.newham.gov.uk/Pages/News/Newham-Council-leads-93-councils-in-call-to-curb-casino-style-gambling-on-the-high-street.aspx>

⁵⁹ Evidence – Newham FOI response, 19th May 2016

⁶⁰ Evidence – Newham FOI response review, 20th May 2016

⁶¹ <http://www.bbc.co.uk/news/uk-33552719>

3.3.3 Regulatory returns submitted to the Gambling Commission between 2009 and 2016 by the 93 supposed supportive councils' shows:

- 39 councils made one or more visits to a betting shop resulting from a complaint.
- 51 councils made no visits to a betting shop with 2 councils having not filed any data.

3.3.4 Data shows that Newham Council visited a betting shop just once as the result of a complaint between 2009 and 2016. It had cause to visit a casino as a result of complaints on three occasions in 2014/15.⁶²

3.3.5 Newham Council receives more than £1 million a year from the Aspers Casino⁶³ located in Westfield Stratford, which has 300 gaming machines on the single premises.⁶⁴ The betting shops in Newham have 322 gaming machines between them all.

3.4 *Liverpool City Council*

3.4.1 In 2013, local councils in Merseyside undertook a series of licensing inspections in Liverpool, the Wirral and Knowsley visiting 198 betting shops.

3.4.2 The corresponding report found that betting shops "did have policies and procedures in place to deal with problem gambling and that appropriate training was in place for staff." The report found:

- 99% of betting shops had information readily available for customers on how to gamble responsibly
- 97% of betting shops had procedures and policies in place for customer interaction where staff have concerns that a customer's behaviour may indicate problem gambling
- 78% of betting shops could provide evidence that they made a contribution towards research, education and treatment for problem gambling
- 99% of staff said they received support to deal with customers who may have a problem with gambling
- 100% of operators confirmed they did not permit under 18s to gamble and had procedures in place to prevent under age gambling.

The report concluded that the reasons for problem gambling are often multi-factorial and are varied.⁶⁵

⁶² <http://www.gamblingcommission.gov.uk/Gambling-data-analysis/Licensing-authority-statistics.aspx>

⁶³ Newham FOI response

⁶⁴ <http://www.aspersstratford.co.uk/slots-electronics.html>

⁶⁵ Evidence – Liverpool Public Health Observatory report: "FIXED ODDS BETTING TERMINAL USE AND PROBLEM GAMBLING ACROSS THE LIVERPOOL CITY REGION"

APPENDIX 1 | ABB Overview

ABB overview

The Association of British Bookmakers (ABB) is the industry association for the high street betting industry. Our members include three of the four largest high street operators: Ladbrokes-Coral, Paddy Power Betfair, and William Hill along with many independent bookmakers. Collectively, the ABB represents almost 80% of the high street betting shop industry.

The ABB engages with the Government, the Gambling Commission, local authorities, politicians, media and other stakeholders on behalf of its members to ensure that gambling regulation is responsible, balanced, and proportionate. The ABB also runs campaigns aimed at protecting members and their customers, and to maintain integrity in the industry through the promotion of best practice.

ABB members

As of September 2016, there are 8,709 betting shops in Britain and the ABB members represent a total of 6,788 shops. A breakdown of shop numbers by member is below.

ABB member	Ladbrokes Coral	Paddy Power Betfair	William Hill	Independent members
No of shops	3622	331	2,324	511

Combined, our members employ 43,535 staff, pay £1.09 billion annually in tax including £76 million in business rates, and represent a £3.21 billion in gross value add to the economy.

ABB Responsible Gambling Code

The ABB has a published Code of Conduct for Responsible Gambling, and compliance with the code is a mandatory requirement of membership of the ABB. The Code is based on the principle of informed player choice and ensures that responsible gambling is at the core of the work of the ABB and its members.

The ABB is committed to promoting safe and responsible gambling and this is reflected in the Code. The Code introduces a number of industry commitments and outlines rigorous consumer protection measures to support these commitments. The measures included in the Code are designed to support those who have developed a problem controlling their gambling, and to ensure the early identification of those who might be at-risk of developing such problems.

APPENDIX 2 | Executive Summary

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.

- 1.1 The ABB contends that maximum stakes and prizes should be maintained at current levels for all machines currently forming part of the Government's review.
- 1.2 While inflation has significantly reduced the maximum levels of stakes and prizes on B2 machines over time, we consider that current relatively low levels of inflation, combined with stable/increasing GGY on gaming machines mean that this review is not the correct point in time to adjust stake and prize levels on any gaming machines.
- 1.3 The higher potential staking levels on B2 gaming machines, relative to other gaming machines, is often cited as providing the potential for greater harm and occasionally leads to the suggestion that lower stakes on B2 would reduce levels of losses and therefore reduce harm. This is only a partial view of the factors that lead to losses on gaming machines. In fact, potential losses are a complex combination of staking level, speed of play, and the proportion of stake returned to the player over time.
- 1.4 Evidence suggests there is no correlation between the increase in numbers of B2 machines over the past 15 years and at-risk or problem gambling rates.
- 1.5 Evidence suggests that B2 machines cause no greater harm to problem gamblers relative to other machines.
- 1.6 LBOs are the best location for B2 machines as a consequence of high levels of voluntary and mandatory responsible gambling measures.
- 1.7 Based on evidence regarding average losses on B3 and Cat C machines and the relative lack of responsible gambling measures on machines in non-LBO venues, it is not appropriate to increase maximum stakes or prizes for any machines covered as part of this review.

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

- 2.1 The ABB contends that there is compelling evidence that the LBO industry's measures on gaming machines mitigate harm and improve player protection to the benefit of consumers and communities.
- 2.2 The LBO sector has led the way on the introduction of measures on gaming machines and no other sector of the UK gambling industry offers measures comparable to those found in bookmakers. The ABB remains committed to the continued sharing of best practice and continuing development of responsible gambling measures as set out in the RGSB Roadmap (as highlighted in our response to Question 3).
- 2.3 The ABB contends there is sufficient evidence around the benefits of responsible gambling measures introduced in LBOs that DCMS and the Gambling Commission should consider mandating similar measures for all establishments offering Category B or Category C gaming machines.

- 2.4 The implementation and evaluation of the responsible gambling measures introduced by ABB members on gaming machines has been driven by machine data and its analysis, often by third parties. In making available to third parties, including the Gambling Commission and DCMS, details of billions of transactions relating to B2 and B3 play in LBOs, ABB members have met the challenge from the last Triennial Review that the industry must lead in making data available on player behaviour and support robust independent research into B2 gaming machines.
- 2.5 Similarly, the introduction of the measures outlined above has helped to meet the additional challenge set by the Government in its conclusions to the last Triennial Review where the industry was required to make progress on developing harm mitigation measures. We contend the developments outlined above represent very significant progress on harm minimisation.

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

- 3.1 The ABB contends that future measures committed to by the industry that build on effective measures already in place, should have a significant bearing on the outcome of the review and shape the Government's position.
- 3.2 In April 2016, the RGSB set out its vision for minimising gambling related harm during the period 2016/2017 to 2018/2019. The ABB strongly supports the RGSB's vision and was able to map a number of ABB responsible gambling initiatives, committed to by ABB members, to the strategy and set out the timescale for implementation of these initiatives during the time period of the strategy.
- 3.3 The ABB's view on the need to consider planned responsible gambling activities as set out in section 2 of this question, the ABB contends that the Government should be cognisant of further technological developments that may be effective in helping to achieve its stated objectives.
- 3.4 Should the Government decide to reduce maximum stakes on B2 machines, there would be expected to be a decline in the number of LBOs in Great Britain. The ABB contends that such a decline would have a negative impact on the broader high street and reduce footfall.
- 3.5 The ABB contends that payments from the high street betting industry to the UK horse and greyhound racing industries would significantly decline as a reduction in B2 stake/prize levels would result in the closure of LBOs.
- 3.6 The ABB's third-party literature review of machine gaming research found no evidence of causation of problem gambling by stake sizes on gaming machines or elsewhere.
- 3.7 There is no study that shows causation between stake size and harm in any form of gambling.
- 3.8 A study of PGSI data shows that it is incorrect to state that problem gambling is rising in Great Britain.

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.

- 4.1 Based on current levels of maximum stakes and prizes for gaming machines located in LBOs, the ABB contends that there should be no change in the number and location of current gaming machine allocations in relation to B2 and B3 category machines that are located in LBOs.
- 4.2 The ABB contends that evidence strongly supports the view that the Government's objective of socially responsible growth would be significantly undermined if there were to be a reduction in the number of gaming machines in LBOs as this would result in the closure of shops and would have a significant financial impact on horse and greyhound racing (as set out in response to Q3 section 4.2).
- 4.3 Evidence further suggests that a reduction in the number of gaming machines would have a detrimental impact on the Government's objective of protecting consumers and communities through displacement to other gambling activities.
- 4.4 The ABB contends that any change to gaming machine allocations in non-LBO locations should only take place if mandatory alerts and voluntary limit setting capabilities are in place, so as to ensure responsible gambling.

Q5. What has been the impact of social responsibility measures since 2013, especially on vulnerable consumers and communities with high levels of deprivation? Please provide evidence to support this position.

- 5.1 The proportion of mandatory alerts triggered during sessions on B2/B3 gaming machines demonstrate the lower staking levels and time spent on machines in areas of higher deprivation.
- 5.2 The number of time and spend voluntary limits set are uniform across all deprivation deciles.
- 5.3 The increased number of RGIs since 2013 suggest that staff training and the encouragement of staff to engage with those who may be experiencing a problem with their gambling has been effective.
- 5.4 There has been a material improvement in scores achieved for age verification testing undertaken by independent, third-party Serve Legal across ABB member estates.
- 5.5 There has been a material increase in the number of individuals self-excluding since the introduction of cross operator self-exclusion in April 2016.

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

- 6.1 There is increasing divergence in the nature and quality of social responsibility measures adopted by different classes of venues. DCMS and the Gambling Commission should require standards to be raised in line with ABB member initiatives.
- 6.2 ABB members have made available significant levels of data for research by independent third-parties during the past three years. The ABB contends that similar research should be undertaken for B1 machines in casinos and B3 machines in Adult Gaming Centres. The ABB also contends that further research should be undertaken at a player-level, thus permitting insights into behaviours across multiple classes of venue.

- 6.3 The Senet Group has had a positive impact on awareness of the importance of responsible gambling and then enforcement of socially responsible measures around the marketing of gambling.
- 6.4 The use of debit cards directly on machines and contactless payments on machines should not be permitted, as this would represent a significant retrograde step in terms of socially responsible gambling.

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?

- 7.1 All ABB members are bound by the Advertising Standards Authority administered Codes of Practice. In addition the industry has committed to adherence to ABB Code measures and the additional Gambling Industry Code on Socially Responsible Advertising.

APPENDIX 3: Gaming machines in LBOs

Types of gaming machines

LBO's can have up to four gaming machines per outlet. The types of games that can be offered in an in a betting shop are Category B2, B3, B4 and Category C games.

Uniquely, betting shops are the only non-remote sector which have fully digital gaming machines in their venues. This means that updates to the operating platform can be remotely downloaded in the same way that new games can also be remotely loaded. As the machines are networked, they also provide details of all cash and game transactions back to a central server which is then stored for reporting and analysis.

Using the machines

All gaming machines have at least one an interactive touchscreen, which allows players to browse through a menu displaying the various different games available. There can be up to 100 different games loaded onto a single terminal, but for ease of navigation, these are often grouped into different types of games such as 'roulette', 'card games' and 'slots games'.

Each machine has a note acceptor and a coin acceptor for players to deposit cash. Gaming machines in LBOs do not directly accept debit card payments, and in order to load money from a debit card a customer must do so at the counter through a member of staff.

In 2015, a £50 stake limit was introduced so that any customer who now wished to stake more than £50 on a gaming machine in an LBO will have to load their stakes at the counter, also through a member of staff. Before being allowed to place a bet over £50, staff must have a responsible gambling conversation with the customer.

The machine does not pay out in cash; instead a ticket is printed which needs to be validated and cashed at the counter by a member of staff.

Types of games

In the UK there are two companies who supply LBO's with machines, these are: SG Gaming and Inspired. However the actual games are created by a range of different suppliers as well as games produced 'in-house' by the respective machine supplier.

Due to the digital nature of the product, games can be remotely loaded and removed, which allows the games offering on machines to be changed frequently.

Gaming machines in LBO's typically offer two different products; roulette and slots games. There are a few other game types such as virtual sports and card games however the vast majority of plays are on roulette or slots games.

- Around 14% of all plays (spins) are on roulette however 83% of plays are on slots games. The remaining 3% of plays are from card games, virtual sports games and other titles.
- In terms of the amount of revenue generated (i.e. total player loss), 52% comes from roulette games and 45% from slots games. The other 3% is from card games, virtual sports etc.
- Figures show that 61.8% of all sessions are B2 only sessions – i.e. roulette only sessions. In comparison, 25.5% of sessions are slots only sessions. In just under 13% of sessions both roulette and slots played together in the same session.

Roulette and slots are very different products which each appeal to a different player base.

- **Roulette** | Roulette is a 'fixed odds' game in the sense that in the long term, the house edge or margin is 2.7% of the amount staked. By way of an example, placing a £1 bet on each of the 37 different possible outcomes would see the player win a total of £36. This example also helps illustrate the concept of player risk and game volatility. By placing £1 on each of the 37 different possible outcomes of standard roulette, the player is staking a total of £37 however because of the chip placement, the financial return to the player will always be £36 and therefore whilst £37 is staked, only £1 is ever lost.
- **Slots** | slots games are also designed to operate from the output of a random number generator however the player has no control over the outcome. The underlying maths model behind each game helps determine win frequency and average win value. Again, by way of an example, two separate games can be designed to deliver an advertised return to player percentage of 90%. Game A offers a £1 stake and returns a win of exactly 90p each spin. Game B has a different maths model and, on average, returns a single win value of £90 every 100 spins.

Standards and testing

All games are developed to a precise set of standards set out by the gambling commission in the technical standards requirements. All games are tested by Gambling Commission approved, external test houses to ensure that the rigorous technical standards are met.

‘Don’t Gamble with Health’ Progress Report

October - November 2016

Submitted to Association of British Bookmakers & other relevant stakeholders.

Project Details

Project name	Don't Gamble with Health
Location	Islington, North London
Reporting period	5 th October 2016 – 30 th November 2016
Report compiled by	Frankie Graham - CEO
Date submitted	1 st December 2016

Summary

The pilot project, Don't Gamble with Health, was launched in Islington on October 5th 2016. The overall aim of the project is to reduce gambling related harm amongst customer base frequenting ABB member's licenced betting offices (LBO) in the London borough of Islington. The pilot runs for six months from October 2016 to March 2017. Betknowmore UK provides services consisting of (1) ACT outreach support programme (2) workshops and other supporting resources/materials to operator's staff (3) on-going community support to other stakeholders.

Customers experiencing perceived harm can self-refer and/or customers receiving an intervention by a staff member, can be referred to the service. Details are provided by the customer and recorded on a referral postcard, which is placed into the referral box behind the counter and a call is made to the Betknowmore UK outreach team. We respond to calls with a target to collect the referral card and contact the customer within 48 hours. This has been achieved 100% to date.

The three staged 'roll-out' to the borough's 59 LBO is complete and the referral process within each is set up. The three workshops to inform the nominated 'champions' about the project and its objectives, have also been completed.

From 7th October to 30th November, 18 customer referrals have been made to the outreach team. All have been contacted and met with outreach team (with the exception of one client) and assessed for appropriate level of support. It has been identified that a high number of customers will 'yo-yo' in and out of the service and we are adapting our support to take that into account.

Activities & Outputs

Set up ACT outreach service to Islington LBO

Status	Setting up referral process complete / LBO checking in on-going
Objective	Set up customer referral process within each of 59 Islington LBO. Provide posters and flyers to inform staff and customers of the service and provide on-going checking in to LBO.
Activity dates	The 'roll-out' to the LBO consisted of three phases - 7 th October / 7 th November / 28 th November.
Progress	<p>Overall good interaction with staff within the LBO. There have been some instances where the staff are not fully aware of the project or how the referral process works, the Betknowmore UK outreach team are happy to spend time with them giving that information. We would like to maintain regular contact with the nominated 'Champions' and help to embed information.</p> <p>The placement of materials advertising the service in LBO has generally worked well. The feedback from both staff and customers is that the tone and content (focus on health and wellbeing) resonates well and is a 'positive' message. We encourage staff to call the helpline 0800 066 4827 for help / advice.</p> <p>The referral process has also worked well. The postcard is being picked up by customers and read. We have had referrals from customers taking the card home and calling the helpline and/or returning to the LBO and asking to be referred.</p>
Outputs created	59 LBO covered / Posters x 118 / Postcards x 820 / 18 referrals processed

Provide three workshops to pilot project 'champions' and other nominated staff members

Status	Complete
Objective	Provide three workshops to nominated 'champions' and other staff to introduce them to the Betknowmore UK team. Provide information about the purpose and objective of the project and the logistics of the 'roll-outs'.
Activity dates	<p>Workshop One: Wednesday 5th October 16</p> <p>Workshop Two: Thursday 27th October 16</p> <p>Workshop Three: Thursday 17th November 16</p>
Progress	The three workshops have been completed. Feedback from the attendees of the workshop has been positive, many liking the mix of content between information about gambling related harm and logistics of the project. New content was introduced between workshop one and two to focus more on experientially learning. The 'witness' statement from our ex-mentee and now community worker, was noted as giving powerful insight and 'real life experience' which could be related to other LBO customers. The workshop covered a lot of material and it may be worth considering a slightly longer format to allow more discussion.

Outputs created	Workshop packs and samples of posters and referral cards were provided. Each pack contains the content covered within the workshop, including information about gambling related harm, health and wellbeing, project purpose and Betknowmore UK contact details.
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Provide ACT outreach support & treatment to referred customers

Status	On-going
Objective	Respond to referral within 48 hours and contact customer. Arrange initial meeting and begin assessment. Provide tailored and holistic support using the Betknowmore UK ACT treatment pathway. Provide exit support plan and access to aftercare service.
Activity dates	On-going from 7th October 16
Progress	From the outset, there have been regular referrals. The number of 18 to date, is slightly higher than anticipated. Contact with customers following the referral has been quick and the speed that support is provided has received favourable comments from both staff and customers. We are seeing more 'yo-yoing' – which means that customers are unsure about commitment for on-going support and want to balance support with continuing to gamble. That is fine, we are adjusting our services to take this into account. A new Brief Intervention tool is being developed and we are assessing our interactions. We will also be introducing new support services in early 2017, which will include group psycho-educational sessions and development of a family support service.
Outputs created	Support via the ACT programme to 18 referred customers



'Don't Gamble with Health' poster and in LBO

Customer Support & Treatment

For the project, we are using a 'Tier System' to assess the needs and support requirements of each of the referred customers. This is in-line with the Gamble Aware commissioning model.

Tier One – Information and signposting to services, non/gambling services.

Tier Two – Brief Intervention – informal 1:1 mentoring, advice and signposting, BI Tool and other ACT resources provided.

Tier Three – ACT outreach support and treatment programme – structured mentoring, counselling, group, tailored and holistic support.

Tier Four – Complex Needs – support requires intensive care planning and signposting to other specialist agencies, may include residential and intensive interventions.

Customer Unique Reference	Referral From	Date Received	Contact Time 48 Hours	Tier Assessment	Support Status
001	WH	13/10	Y	2	Current
002	WH	14/10	Y	3	Current
003	WH	14/10	Y	2	Complete
004	WH	13/10	Y	2	Complete
005	WH	13/10	Y	2	Complete
006	WH	14/10	Y	2	Complete
007	LAD	17/10	Y	3	Current
008	WH	15/10	Y	1	Complete
009	LAD	17/10	Y	2	Current
010	PP	14/10	Y	3	Current
011	PP	7/11	Y	2	Current
012	Self - Ref	14/11	Y	3	Current
013	Org Ref	14/11	Y	4	Current
014	Self - Ref	14/11	Y	3	Current
015	Coral	15/11	Y	1	Current
016	PP	16/11	Y	3	Current
017	PP	25/11	Y	1	Current
018	WH	27/11	Y	1	Current

Partners & Stakeholders

The following table summarises our relationship with other interested (non-gambling operators) key partners and stakeholders during the reporting period:

Partner / Stakeholder	Relationship update
Islington Licensing Team	<i>Discussion On-going for the setting up of an Islington Betwatch scheme</i>
Islington voluntary sector	<i>Various organisations alerted to pilot project</i>
Islington community	<i>Information and advice distributed. Particularly to establishments used for target client groups, such as coffee shops and community centres.</i>
PwC	<i>Betknowmore UK supporting commissioned research on gambling related harm</i>
Kings College	<i>Betknowmore UK supporting research on gambling by 'vulnerable' adults</i>

Challenges & Lessons Learned

The following table summarises the challenges we have faced during the reporting period and the lessons learned / solutions for each challenge.

Challenge	Lessons learned / solutions
Customers 'yo-yoing' in and out and service	<i>Development of new Brief Intervention tool and assessment of interactions and other resources.</i>
Awareness of pilot project amongst LBO staff	<i>Foster on-going relations with 'Champions' and monitor feedback from gambling operators.</i>
Balance between offering formal and informal support	<i>Ensure support is appropriate for customer needs and focus on development of 'trusted relationship'.</i>
Request for family support services	<i>Assessing service and funding requirements. Aiming for second support group targeting family members to be rolled out early 2017.</i>
Providing support to higher than anticipated number of referrals	<i>Monitor ratio of client support to staff. Increase number of volunteer counsellors / outreach workers.</i>

If you have any questions or require further information, please do not hesitate to contact me at:

Email – frankie@betknowmoreuk.org

Mobile – 07534 979 684

Frankie Graham

CEO

ESA Retail Footfall & Interview Analysis

November 2016



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1	Introduction & Methodology
2	Footfall Counts & Frequency of Visit
3	Linked Trips
4	Average Spend
5	Mode of Transport
6	Summary

Introduction

The research commissioned by the Association of British Bookmakers (ABB) sought to establish if their members' customers visited other shops as part of a linked shopping trip, or if visits were undertaken as a stand-alone trip.

Footfall surveys were also undertaken to compare the usage of betting shops with other nearby businesses. The frequency of visits to the betting shop, length of stay and the mode of travel to the betting shop were other areas explored in the research.

Interview Methodology

Interviews were conducted as customers entered the betting shops at each of the locations below:

- Paddy Power, Ilford, Kent
- Ladbrokes, Glasgow, Lanarkshire
- Paddy Power, Leeds, Yorkshire
- William Hill, Leicester, Leicestershire
- Paddy Power, Edgware, Greater London

These locations were chosen as they represent a mix of Town Centres, District Centres and Local Centres in various geographical locations.

The interviews took place on Wednesday 23rd November – Saturday 26th November 2016, 10am-6pm.

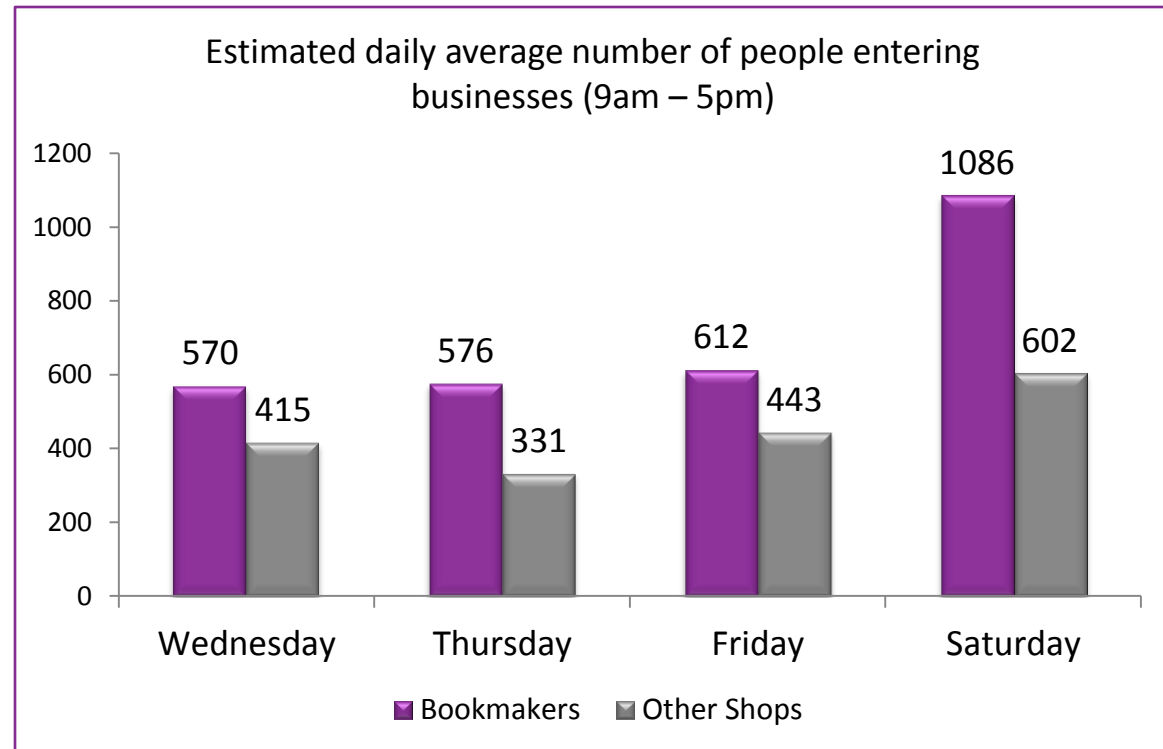
Footfall

Footfall counts were conducted alongside the customer interviews to provide comparable customer numbers against local shops.

Sample:

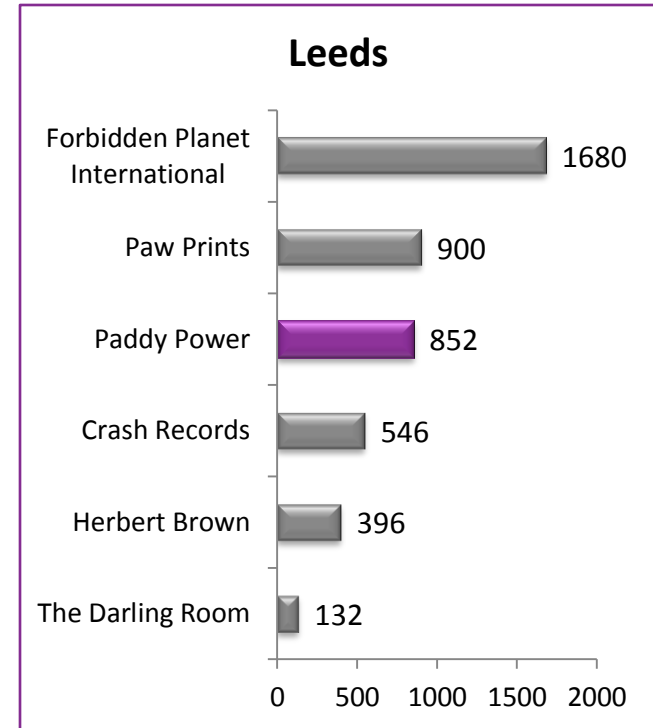
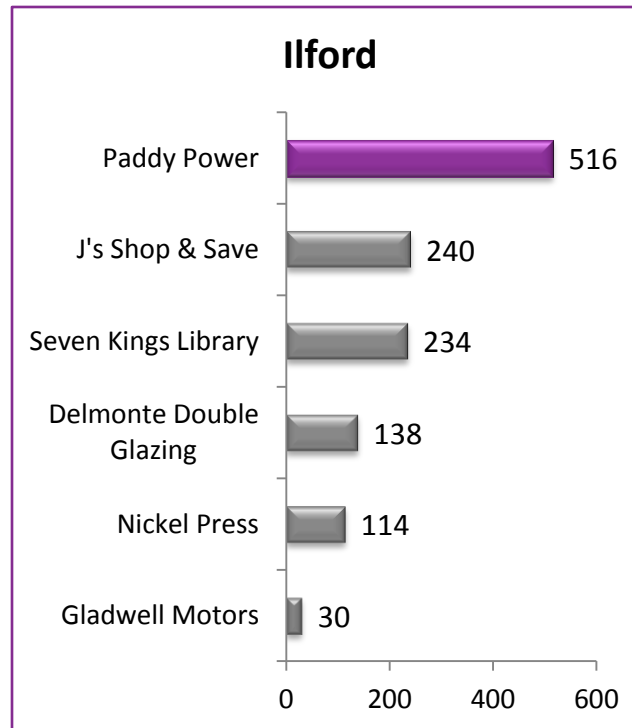
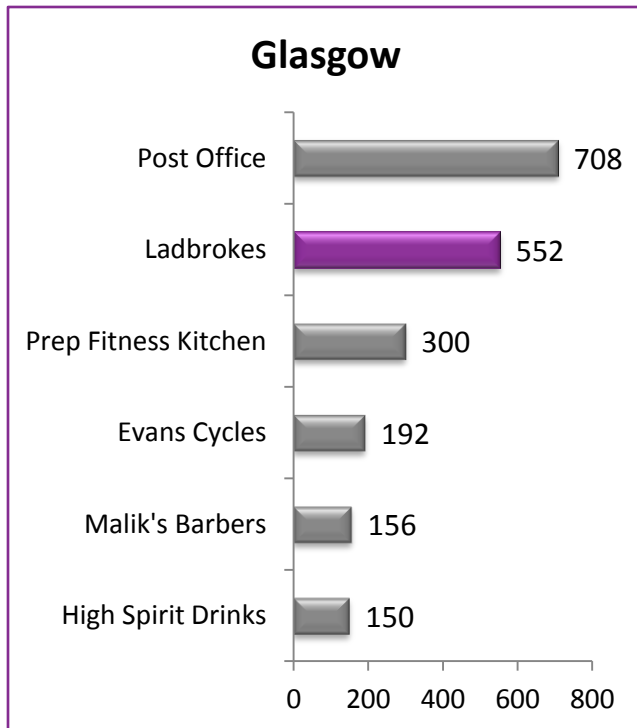
- Counts were conducted at each betting shop, and a mixture of five neighbouring A1 – A3 class businesses.
- Each shop unit was monitored for a 10 minute period in each hour between 9am and 7pm.
- These actual footfall figures were then extrapolated to provide an estimated daily footfall figure for each of the shop units between the hours of 9am and 5pm, to take into account the generally later closing times of bookmakers.

- The footfall chart on this page shows the estimated number of customers entering bookmakers and the other shops between 9am-5pm, Wednesday-Saturday.
- The average estimated number of people entering the bookmakers was higher on each of the four days.
- The number of people entering the bookmakers was nearly double on both Thursday and Saturday.
- This suggests that bookmakers have a positive impact on pedestrian footfall, which should in turn help to benefit other shops in the area through linked trips.



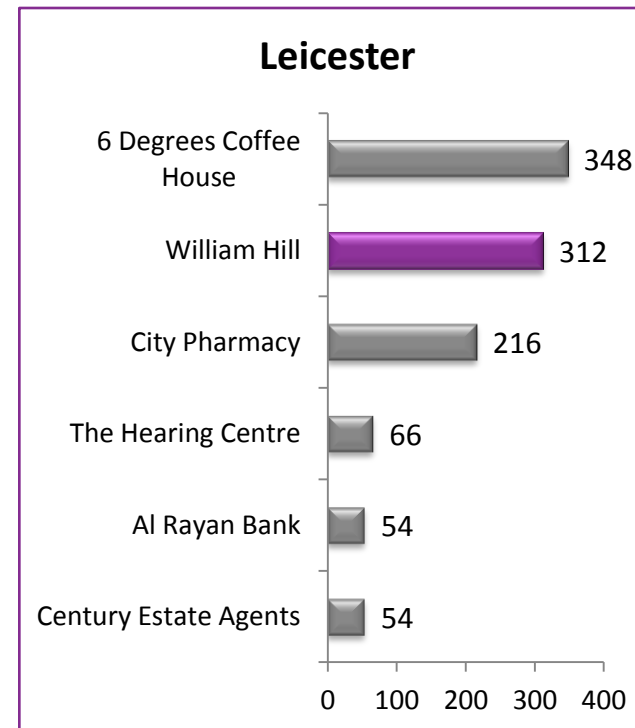
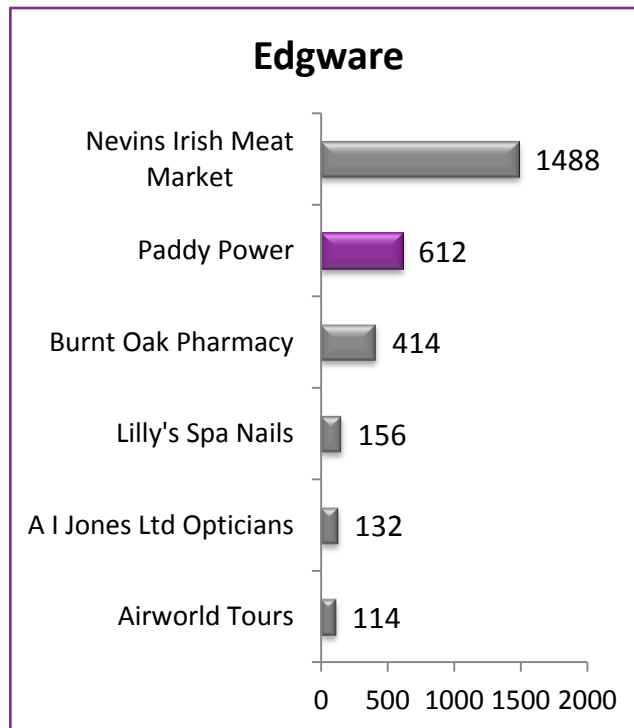
Footfall Counts by Location

Charts showing the estimated number of customers entering shops 9am - 5pm, Wednesday - Saturday



Footfall Counts by Location (cont.)

Charts showing the estimated number of customers entering shops 9am - 5pm, Wednesday - Saturday

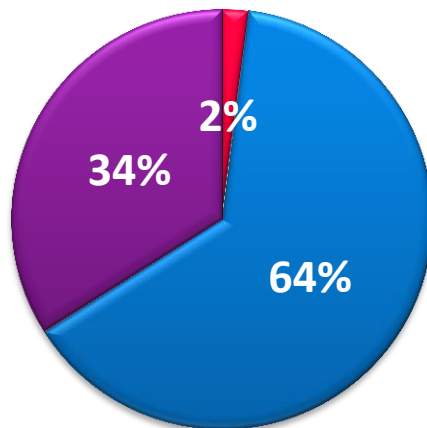


Frequency of Visit

- More than one third of respondents visit their bookmakers on a daily basis (35%), and 82% of customers visit at least weekly.
- Only 10% of the customers interviewed indicated that they visit the target bookmaker less than fortnightly.

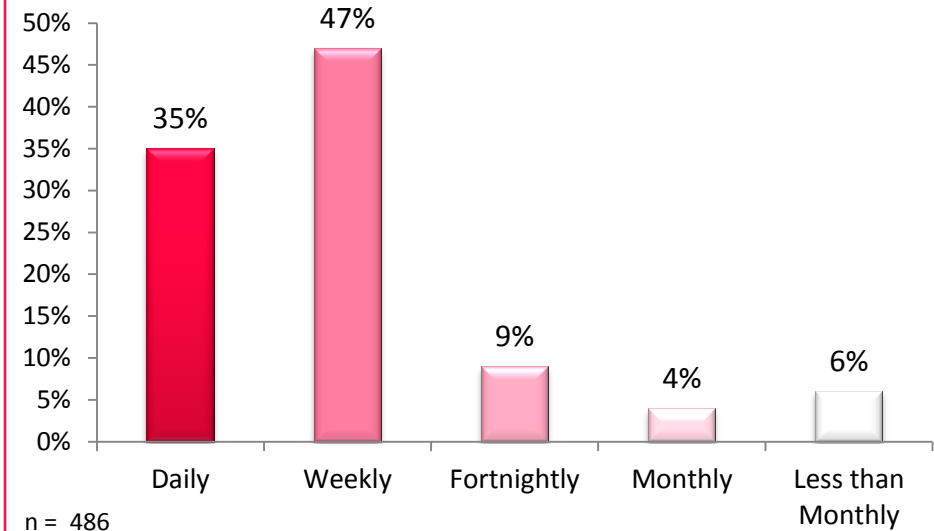
If this bookmaker closed, would you visit this shopping parade?

■ More frequently ■ The same ■ Less Frequently



n = 486

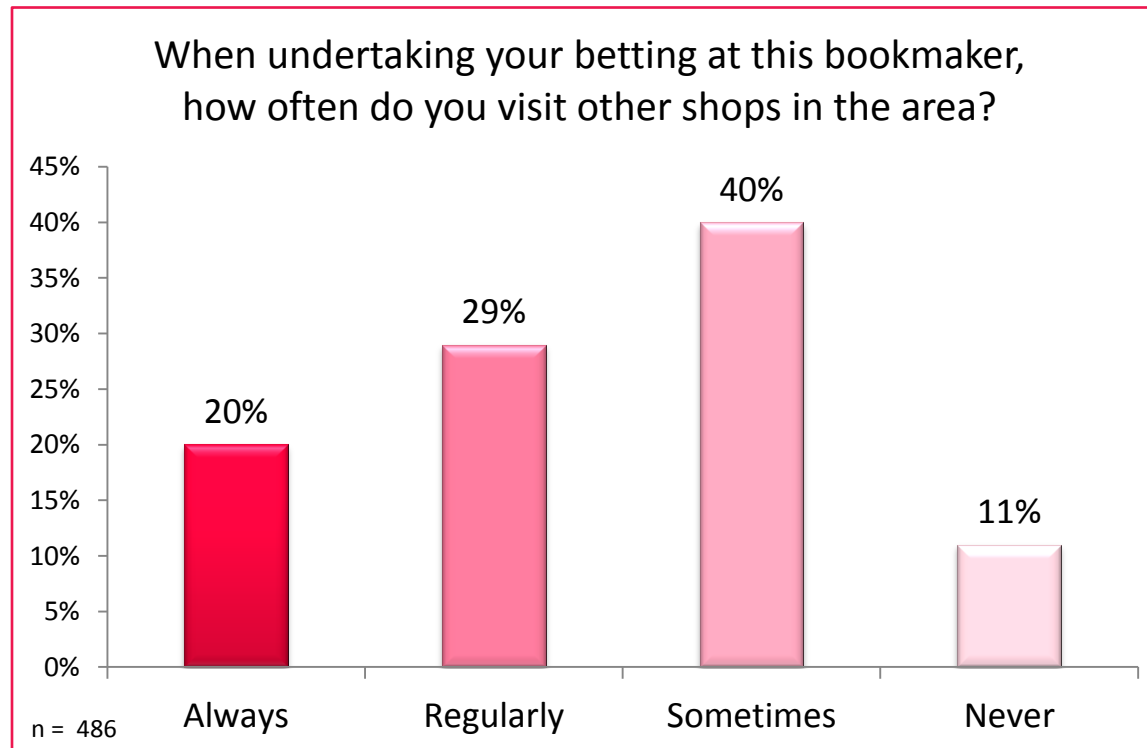
How often do you visit this bookmaker?

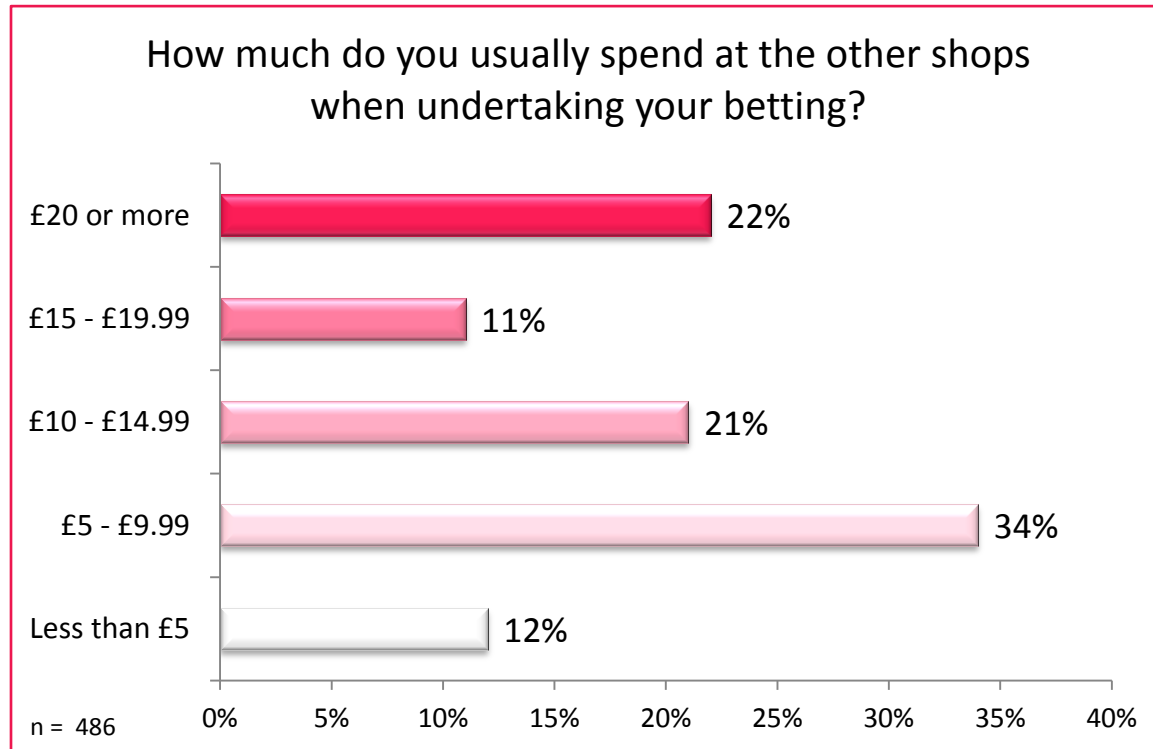


n = 486

- 34% of customers suggested that they would visit the area less frequently if the bookmaker were to close.
- Coupled with the finding (overleaf) that the majority of shoppers are making linked trips to other businesses when visiting the bookmakers, this provides strong evidence that the presence of bookmakers has a positive impact on the high street in general.

- 62% of respondents said that visiting the bookmakers was the main reason for their trip to the high street.
- 89% of betting shop customers combine their trip with visits to other local businesses at least sometimes.
- In fact, 49% said that they either regularly or always use other shops in the area when visiting the betting shop.
- This suggests that betting shops are beneficial to other local businesses, as their customers' make linked trips while on the high street.

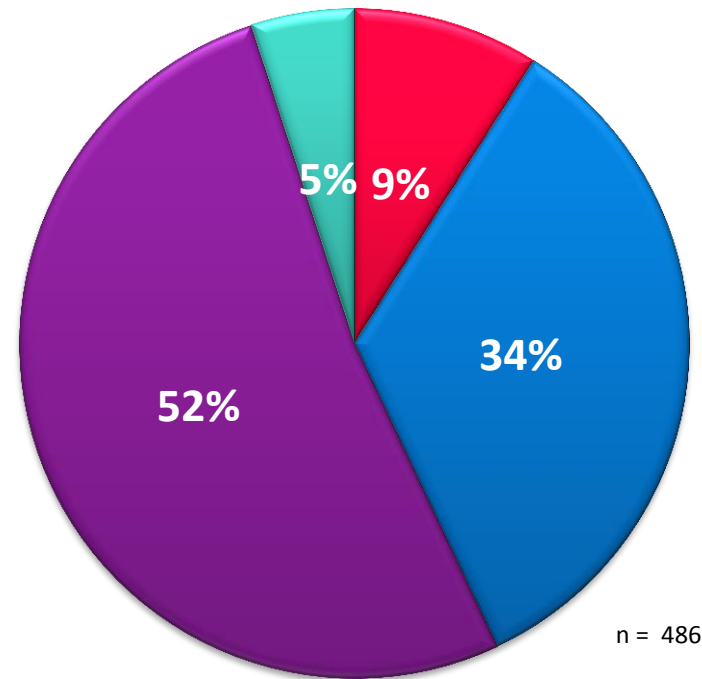




- More than half of all respondents suggested that they usually spend more than £10 in other local shops when undertaking their betting.
- In Glasgow, 39% of respondents usually spend more than £20 in other local shops.
- Only 12% of bookmakers' customers said that they spend less than £5 in other businesses on the high street.

- The most common mode of transport for customers was walking, with more than half of all respondents arriving on foot (52%).
- In Edgware, Ilford and Leicester the number of customers who arrived at the high street by walking was well over half (72%).
- Almost all respondents (91%) did not visit by car. This shows that bookmakers' customers, in the main, are not adversely impacting local traffic congestion and parking availability.

What was the main mode of transport you used to travel here today?



■ Car ■ Bus ■ Walk ■ Other

Summary of Findings

On average, betting shop customers make frequent visits to the high street, with 82% of those interviewed visiting at least once a week.

Footfall counts revealed that, on average, more people frequent betting shops than nearby A1, A2 and A3 classed businesses.

In fact, 34% of respondents said that they would visit the area less often if the betting shop were to close.

The interviews established that 89% of betting shop customers are making linked trips, patronising other local businesses while on the high street, with more than half usually spending more than £10.

The majority of respondents said that they either walked or used public transport to visit the betting shops, reducing the impact that these customers have upon local traffic congestion.

Statement of Confidence

ESA Retail completed customer surveys in five betting shops in England & Scotland during November 2016, asking customers about their journey around the town. 486 customers were interviewed across the five locations from Wednesday 23rd to Saturday 26th November out of an estimated customer population of 2844 people. The sample achieves a confidence level of 95.95% allowing a 4.05% margin of error.

The customer population of 2844 is an estimated total for four days, based upon the number of people who entered the betting shops while we were conducting the survey.

Interviews and surveys were completed by ESA Retail, an Independent Market Research Agency.

Survey Bookmaker Addresses

- Paddy Power, 695 High Road, Ilford, Kent, IG3 8RH
- Ladbrokes, 130 West Nile Street, Glasgow, Lanarkshire, G1 2RQ
- Paddy Power, 10 Headrow, Leeds, Yorkshire, LS1 6PU
- William Hill, 106 London Road, Leicester, Leicestershire, LE2 0QS
- Paddy Power, 82 Burnt Oak Broadway, Edgware, Greater London, HA8 5EP

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THE RESPONSIBLE GAMBLING CODE 2015

Stay in Control

Think about how much time
and money you have spent on
the machine today

gambleaware.co.uk
GAMBLE RESPONSIBLY

Set Limits
No Limits Set
Set time and money
limits in advance

NEED IMMEDIATE
SUPPORT? CALL THE GAMBLING
HELPING HAND



www.abb.uk.com

INTRODUCTION

The Association of British Bookmakers (ABB) published its Code of Conduct for Responsible Gambling in September 2013.

The ABB represents over 80% of the high street betting industry and our members include William Hill, Ladbrokes, Coral, and Paddy Power, as well as almost 100 smaller independent operators.

The introduction of the Code represented a step change in approach towards responsible gambling by the industry and led to the successful roll out of world leading consumer protection measures, based on the principle of informed player choice, across all our members' collective estate of over 8000 betting shops UK wide by March 2014.

Responsible gambling is now at the heart of our operations and through regular monitoring of the measures already in place the ABB has been able to identify and introduce numerous additional measure and improvements since the Code was first introduced.

This 2015 Responsible Gambling Code incorporates and makes mandatory these additional measures. It also sets out industry commitments on issues such as multi-operator self-exclusion and behavioural analytics that are still in the development process and which will improve both the early identification of those who might be at-risk and to better support those who have developed a problem in controlling their gambling.

As an industry we are committed to ensuring the continued development of these measures, which provide our 8 million customers with the tools to stay in control of their gambling whilst improving the ability of staff to detect customers at risk and ensure they have the information to access support services if they need to.

This Code will be implemented from November 1st 2015.



IMPLICATIONS OF NON-COMPLIANCE

- Any complaint against an ABB member for non-compliance with any aspect of this Code of Conduct will be subject to review by the independently chaired Responsible Gambling Committee.
- Complaints will be able to be submitted by any member of the public or any ABB member with a procedure for doing so clearly set out on the ABB website.
- All complaints and subsequent decisions will be published on the ABB website.
- Under the review process the ABB Council will have the power to revoke membership of the ABB if an operator is found to be wilfully in contravention of the Code.



ENFORCABLE COMMITMENTS

The requirements necessary in order to meet the industry commitment to responsible gambling, which all ABB members must adhere to under the ABB Code, are below.

ABB members are also required and committed to upholding the Gambling Commission Licensing Conditions and Codes of Practice (LCCP), and as such some ABB Code measures also build on and re-inforce some of these LCCP requirements.

OUR COMMITMENT:

Providing customers with the tools to stay in control of their gambling

LIMIT SETTING ON GAMING MACHINES

The ability to set limits on gaming machines was introduced by the ABB with the first Code in 2014. In January 2015, in response to evidence which showed that over 75% of those setting a limit stuck to it, the ABB made it mandatory for players to have to decide whether or not to set a limit before they can start to play. The ability to set limits on gaming machines and this mandatory requirement are unique to high street betting shops and the ABB is committed to ensuring the industry continues to lead the way in developing this tool.

This, and the other measures required of ABB members to help support player control on gaming machines, are set out below.

- All customers are required to choose whether or not to set a voluntary spend or time limit (or both) before they can start playing.**
- Players reaching their limit must be presented with the options to stop or to set new limits and continue playing.**
- Staff must be alerted behind the counter for every mandatory alert triggered or voluntary limit set, in order to provide staff with an overview of that player's behaviour and encourage interaction where appropriate.**
- Players must be able to request a player statement (if participating in account based play) showing a detailed record of the time and money spend history.**
- Staff must be trained in how and when to interact with customers triggering behind the counter alerts.**
- All players must be subject to mandatory reminders for every 30 mins played or £250 added to the machine.**
- Customers must remain able to set a custom voluntary limit at any stage during play if they do not choose to do so before.**
- In order to give customers the opportunity to think about whether they want to continue or not, on reaching a voluntary limit there must be a mandatory 30 second break in play before the player can start playing again.**

SELF-EXCLUSION

Self-exclusion agreements between a customer and betting shop operator allow the customer to voluntarily ban themselves from the betting shop(s).

Since December 2014 the ABB has been trialling an enhanced self-exclusion process allowing customers to exclude from multiple shops across different operators at one time, so as to ensure the continued effectiveness of self-exclusion as a tool to help those who may be at risk to remain in control of their gambling. This scheme will be fully operational ahead of the new Gambling Commission LCCP requirement for such a scheme in April 2016.

- **ABB members must strictly adhere to the requirements for self-exclusion as set out in the Gambling Commission's Licensing Conditions and Codes of Practice (LCCP) and the requirements of the ABB scheme set up to achieve this, once in place.**

- Members must maintain a central self-exclusion register, monitor the number of self-exclusions in each of their shops, have processes to make sure that shop staff are properly implementing self-exclusion, and conduct regular audits of their scheme's effectiveness.
- **Self-excluded customers must be removed from the operator's marketing databases and customers must be signposted to support services such as the National Gambling Helpline, at the point of self-exclusion.**
- ABB members must encourage customers to enter into wider self-exclusion from other gambling premises such as arcades, bingo halls and casinos in the immediate local area, where appropriate.



OUR COMMITMENT:

To promote information and responsible gambling messages in order to allow customers to make informed decisions about their gambling

ADVERTISING

Like all advertising, gambling advertising is strictly regulated and operators must adhere to the Advertising Standards Authority administered Codes of Practice. The industry has committed to going above and beyond these requirements through implementation of the below ABB Code measures and the additional Gambling Industry Code on Socially Responsible Advertising.

- **There must be no gaming machine advertising in shop windows.**
- **All ABB members must adhere to the cross-industry Gambling Industry Code on Socially Responsible Advertising.**
- **As of January 1st 2015 no ABB member will advertise free bets as sign up incentives on TV before the 9pm watershed.**
- The Responsible Gambling Committee will address any concerns about advertising and will have regular discussions with the relevant responsible authorities on the issue.

RESPONSIBLE GAMBLING INFORMATION

- Members must pro-actively promote Responsible Gambling messages such as the gambleaware.co.uk website and the National Gambling Helpline in all shops, and operators with corporate websites must provide a click through to the Gamble Aware website.
- Leaflets with responsible gambling information must be available in gaming machine areas.
- The top screen of any gaming machines must display responsible gambling information for at least 25% of the time.
- Responsible gambling information pages on gaming machines must be regularly reviewed and updated.
- Customer help pages on gaming machines, containing information explaining concepts such as 'Return to Player', must be maintained and updated so as to be as clear and relevant as possible.

**OUR COMMITMENT:**

Ensuring earlier and more targeted interactions with customers who may be at risk

BEHAVIOURAL ANALYTICS

Behavioural analytics is the application of data algorithms by operators to customer data usually gathered from account based play, based on identifiable markers of harm, allowing them to identify customers who may be at risk at an earlier stage and intervene.

- **Members must comply with the agreed ABB minimum standards on behavioural analytics relating to both use of data algorithms and follow up interactions with customers when they are produced.**

STAFF TRAINING

- Staff must be trained to recognise a wider range of problem gambling indicators in order to identify those customers at risk of developing a gambling problem and interact with them.
- All staff will be actively encouraged to 'walk the shop floor', in order to allow them to initiate customer interaction in response to specific customer behaviour.
- In line with LCCP requirements, operators must ensure at least induction and annual refresher training in all areas of social responsibility, including responsible gambling interactions.
- ABB members without their own social responsibility training system must ensure staff have completed the ABB online social responsibility induction training course.

OUR COMMITMENT:

Preventing any access to gambling in betting shops by children and young people under 18

AGE VERIFICATION POLICIES

- Major operators must continue to conduct regular third party age verification testing to check the implementation of the Think 21 policy in shops.
- The ABB will fund a similar programme of age verification testing for independent ABB members.
- **All members must maintain a standard within AV testing with a clear focus on challenge on entry.**
- **Major operators, and the ABB on behalf of independent members, will enter into primary authority relationships on age verification, with a chosen local authority, in order to ensure consistency in operator led test-purchasing and support the continued development of policies to prevent underage gambling on any LBO premises.**
- Members will ensure that staff receive specific training to prevent under age access to machines and encourage the use of the behind the counter functionality to disable the machine where required.
- All machines must be sited where they can be adequately supervised from the counter.
- All staff must be encouraged to 'walk the shop floor' and implement the Think 21 policy amongst machine players.

OUR COMMITMENT:

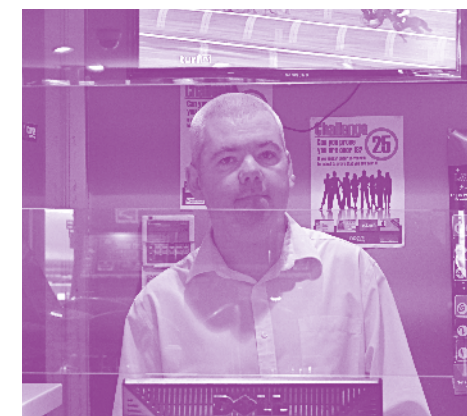
To ensure the safety of our staff and customers through maintaining an environment where betting shops remain free of crime and disorder

SECURITY POLICIES

Launched in 2010, the Safe Bet Alliance (SBA) has played a key role in making the UK's betting shops safer for our staff and customers. The document outlines agreed voluntary standards of workplace safety and security for the betting industry in England, Scotland and Wales with a view to reducing the risk of robbery and any violence in the betting shop environment.

The guidelines were developed in partnership with the Metropolitan Police, Crimestoppers, the Institute of Conflict Management and Community Union. The initiative was recognised by winning a Home Office Tilley Award in 2011. In 2014, the Association of Chief Police Officers formally endorsed the Safe Bet Alliance.

- All members must abide by the standards set out in the Safe Bet Alliance.



ANTI-MONEY LAUNDERING

As the high street betting industry has developed, following legalisation in 1961, the industry has concurrently developed robust and effective anti-money laundering processes.

The industry continues to develop best-practice and information sharing in collaboration with the UK government and local and national security forces to combat the comparatively few attempts that do occur to launder money in betting shops in the UK. The ABB provides regularly updated guidance on anti-money laundering policies to our members.

- All ABB members must adhere to the ABB guidance on anti-money laundering.

OUR COMMITMENT:

To ensure the continued financial support of the industry to tackling problem gambling research, education, and treatment of problem gambling

- All members must fully support and co-operate with the work of the Responsible Gambling Trust and will make an annual financial contribution to the research, education and treatment of problem gambling.

OUR COMMITMENT:

To work in partnership with local stakeholders to ensure betting shops play an active role in their local community

WORKING WITH LOCAL AUTHORITIES

In recognition of the importance of the relationship between operators and local authorities in ensuring a successful and responsible betting industry at a local level, in January 2015 the ABB signed a partnership agreement with the Local Government Association (LGA) to encourage more joint working between the industry and local authorities. The published framework was developed over a period of months by a specially formed Betting Commission consisting of councillors and betting shop firms.

- **The ABB and members must respond proactively to any concerns raised by local authorities and will continue to promote the agreements made under the LGA-ABB betting partnerships agreement.**

COMPLIANCE AND EVALUATION

- The ABB Responsible Gambling Committee will be responsible for monitoring and reviewing compliance with the ABB Code, and the detail of the Code itself – making new recommendations where necessary.
- Data monitoring the effectiveness of the measures in place will be collected on at least a quarterly basis.
- The Committee will meet at least quarterly and have an independent (non-industry) chairman.
- The panel will include membership from gambling and harm prevention experts, such as GamCare and the RGT, as well as operators.

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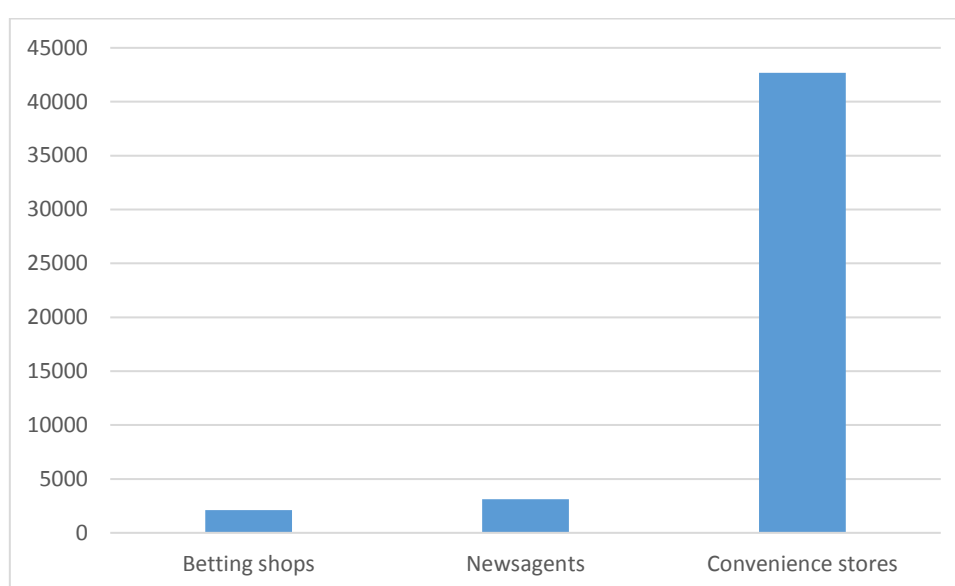
Association of British Bookmakers Ltd
Ground Floor, Warwick House,
25 Buckingham Palace Road,
London, SW1W 0PP

APPENDIX 9 | FOI responses:

Responses to FOIs submitted to Police Forces in October 2016, asking for the number of occasions police were called to a betting shop, newsagents and convenience store between 1st April 2016 and 30th September 2016.

Running totals from 27 forces who have provided data:

Betting shops	2, 121
Newsagents	3, 132
Convenience stores	42, 696



Bedfordshire Police

Betting Shops	40
Newsagents	145
Convenience Stores	1180

Cambridgeshire

Betting shops	6
Newsagents	7
Supermarkets	456
Shops	1084

Cheshire Police

Betting Shop	23
Newsagent	84
Convenience Store	835

Derbyshire Police

Betting shops	16
Newsagents	30
Convenience stores	648

Devon and Cornwall

Betting shops	26
Newsagents	70

Dyfed-Powys Police

Betting shops	1
Newsagents	0
Supermarkets	399

Greater Manchester Police

Betting shops	118
Newsagents	89
Convenience stores	3676

Gwent Police

Betting shops	3
Newsagents	27
Convenience stores	224

Humberside Police

Betting shops	30
Newsagents	109
Convenience stores	82

Kent Police

Betting shops	32
Newsagents/Tobacconists	69
Supermarket	2322

Lincolnshire Police

Betting shops	12
Newsagents	43
Convenience stores	206

Merseyside Police

Betting shops	42
Newsagents	100
Supermarket	660

Metropolitan Police

Betting shops	1100
Newsagents	1293
Supermarket, food shop	14040

North Wales Police

Betting shops	9
Newsagents	23
Convenience stores	461

North Yorkshire Police

Betting shops	4
Newsagents	12
Convenience stores	163

Northants Police

Betting shops	28
Newsagents	29
Convenience stores	879

Northumbria Police

Betting Shop	76
Newsagents	247
Supermarket	2501

Nottinghamshire

Betting Shop	19
Newsagents	78
Supermarket	641

Police Scotland

Betting shops	221
Newsagents	206
Convenience store	4207

South Wales Police

Betting shops	11
Newsagents	23
Convenience stores	476

South Yorkshire Police

Betting shops	69
Newsagents	144
Supermarket	3495

Staffordshire Police

Betting shops	12
Newsagents	85
Convenience stores	2,556

Suffolk Police

Betting shops	15
Newsagents	17
Convenience stores	292

Sussex Police

Betting shops	46
Newsagents	95
Convenience stores	902

Thames Valley Police

Betting shops	71
Newsagents	106
Convenience stores	946

West Yorkshire

Betting shops	86
Newsagents	0
Convenience store	1361

Wiltshire Police

Betting shops	5
Newsagents	1
Convenience store	3

Declined the request:

- Norfolk
- Gloucestershire
- Lancashire
- Hampshire
- Avon and Somerset
- West Midlands
- West Mercia
- Essex