

29th November 2016

London Borough of Hounslow response to 'Review of Gaming Machines and Social Responsibility call for evidence'

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.

For the purposes of this consultation, the only category of gaming machine which is of serious concern to the Council are the B2 gaming machines, otherwise known as fixed odd betting terminals (FOBT's). These machines are predominantly found in betting shops.

Currently the maximum stake for these machines are £100 "per spin". To put this into context, the highest stake in a gaming machine in a casino is £5 and the highest stake in a bingo hall in £2. Surely this cannot be right and socially responsible?

The harm that these machines have caused in the London Borough of Hounslow is evident from the crime statistics we have obtained from the Metropolitan Police in order to complete this consultation. Between November 2015 and November 2016 there have been 48 incidents of criminal damage relating to fixed odd betting terminals in betting shops. These incidents are a result of customers losing their temper, probably having lost their money and vandalising the machine. A breakdown of where these crimes were reported is as follows:

Ladbrokes: 24

William Hill: 8

Coral: 7

Paddy Power: 5

BetFred: 4

Quite often the method of vandalising the machines consisted of the perpetrator using furniture to smash the machines. It is the view of both the London Borough of Hounslow and the Hounslow Licensing Team of the Metropolitan Police that these machines are crime generators within our borough. The fact that so much money can be lost so quickly is a serious concern and we would strongly advocate a reduction of the maximum stake to £2 to bringing betting shops in line with Bingo Halls. It is worth mentioning that there are no crime reports for damage to machines in bingo halls across the borough.

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

Any industry measures to mitigate harm are failing. In 2015/16, the London Borough of Hounslow undertook an operation which was carried out over several months to "test purchase" our betting shops. The London Borough of Hounslow currently has 60 betting shops and in the first phase of the operation we were able to test purchase 22 of them. The test purchase operation, which was conducted with assistance from the Gambling Commission and police, involved a 15 year old being

sent into the premises and attempting to play a fixed odd betting terminal. Of those premises that were tested, 55% failed and allowed a child to gamble.

Initially, enforcement action was taken and advice was given to the 12 betting shops that failed. We then conducted retests and a further 2 failures were recorded. We subsequently submitted licence reviews against the two operators to impose stringent conditions upon their licence.

For the reasons given above and the crime statistics in Q1, it is clear that the industry are seriously failing to mitigate harm. The London Borough of Hounslow have previously received a complaint from an individual who claims that he is addicted to gambling and has lost in excess of £150,000. Evidence in the form of receipts and bank statements were supplied to us to support his claim. The individual had signed up to the voluntary self-exclusion schemes operated by various betting shops but was still allowed in to gamble. He also alleged that he was encouraged to gamble by members of staff within the betting offices. This system clearly does not work and is not protecting problem gamblers. Those that recognise that they have a problem and exclude themselves should be supported and it should be an offence for a betting shop to grant them access to their stores when a self-exclusion is in place.

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

A reduction in the stake from £100 to £50 (as suggested in the consultation document) would not address the problem. The Governments own 'Evaluation of Gaming Machine Circumstances of Use Amendment Regulations' (2015) showed that there was a high volume of customers who bet stakes between £40-£50. We believe that these bets go to the heart of the problem. £40-50 a spin is too much for high street betting shops and can result in hundreds or thousands of pounds being lost in a matter of minutes. The government should reduce the stakes of these machines to £2 a spin to bring them in line with bingo halls.

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.

Currently, a betting shop is permitted to have 4 FOBT's (B2 gaming machines) per premises. The problem is that the law does not currently prevent multiple premises from opening in the same location. This is known as "clustering". In Hounslow Town Centre we have one William Hill, one JenningsBet, two Ladbrokes, three Betfred's and two Paddy Power's. It is our view that operators open multiple premises to circumvent the restriction of a maximum of four FOBT's in a premises. The London Borough of Hounslow believe that the law should be changed to prevent an operator from supplying FOBT's in their shop if there is another shop (owned by the same operator) close by. It will be for the government to decide what the distance should be, however this should be decided whilst bearing in mind that two shops (from the same operator) in the same town centre is not appropriate.

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

The London Borough of Hounslow are not aware of any positive impact from social responsibility measures since 2013. The 55% failure rate of test purchases conducted in Hounslow (see Q2) show that internal age verification testing and the enhanced training of staff has not been successful. When challenging operators about the failures we were often provided with details of successful

internal test purchases (usually carried out by a company called Serve Legal). They always seem to show overwhelming pass rates of 80-90%. These pass rates simply do not correspond to the rates of pass/failure that we have experienced when carrying out test purchases.

We have received complaints that self-exclusion schemes have been ignored and that problem gamblers have been encouraged to gamble (see Q2).

We do not feel that voluntary, optional or internal measures for social responsibility are successful in licensed betting shops. We would urge the government to legislate to make staff training and self-exclusions a legal requirement. Local Authorities should also be able to immediately suspend or revoke licences that fail an underage test purchase.

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

Currently licensing authorities have very limited powers to deal with social responsibility issues. A review against a licence can only be brought when the licensing objectives are compromised. The licensing objectives do not include social responsibility. We would suggest that the licensing objectives are widened to include crime not directly associated with gambling (vandalism, ASB etc), the prevention of public nuisance, public safety and social responsibility.

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.

The London Borough of Hounslow does not intend to submit any evidence regarding advertising but in our view that there should be a complete ban on the advertising of gambling activities.

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?

Currently the powers of both licensing and planning authorities are limited. The change of usage class has assisted in preventing further betting shops from opening in our borough but it does nothing to address the problem we currently have. Hounslow currently has 60 licensed betting shops and has been the focus of negative media coverage: <http://www.mirror.co.uk/news/uk-news/street-28million-lost-year-crack-7325541>

The London Borough of Hounslow strongly feel that the “aim to permit” section of the legislation should be repealed. It is so unjustly weighted in favour of operators that licensing authorities are often forced to grant licences that should really be refused. We feel powerless to control the number of betting shops on our streets. We also feel that powers to introduce cumulative impact studies (as is common under the Licensing Act 2003) should be introduced. Where a local authority recognises that a clustering of betting shops are causing problems, they should be able to introduce a policy to prevent more from opening up.

The negative effects of FOBT's in our borough are clearly evident. The machines attract trouble and the general public and staff are often put at risk.

Officers from the Council's community safety team have visited betting premises and have spoken to staff. Staff have reported to us that they experience high levels of aggression and abuse, often following a significant loss of money on a FOBT. Staff members have reported various incidents including being threatened and spat upon. Staff told us that they do not report these incidents as they fear they may lose their job or that the licence may be put at risk causing the venue to close.