

Consultation Response: additional evidence.

My name is Kate Bedford and I am a Professor Law at Birmingham Law School. My research focuses on law and political economy. Since 2011 I have been conducting research on commercial and non-commercial bingo, in order to help us think in new ways about the regulation of everyday speculation. Funded by a large ESRC grant (ES/J02385X/1, *A Full House: Developing A New Socio-Legal Theory of Global Gambling Regulation*), I and a team of researchers have explored bingo regulation in England and Wales, Brazil, Canada, and in the European Union (see <https://www.kent.ac.uk/thebingoproject/>). We have conducted interviews with 255 people involved in bingo, and analysed over 1000 legal cases to learn about the rules that govern bingo in different environments. I also reviewed all Hansard references to bingo, to see how UK lawmakers have seen the game and its risks over time. Besides our academic publications (listed in appendix 1), we have published a final report oriented to policy makers and regulators, and policy briefs for each of the major case studies in our research (all available at (<https://www.kent.ac.uk/thebingoproject/>, under ‘findings’). I am currently finalising an academic monograph on what research into bingo regulation can add to existing accounts of gambling, law, and political economy. The monograph includes chapters on online bingo regulation in the UK, and on social responsibility and problem/at risk gambling.

As a result of this extensive research into bingo, in the UK and elsewhere, I would like to offer some evidence-based responses to the current consultation.

Q1. Do you agree that the maximum stake on B2 machines should be reduced; if yes, what alternative maximum stake do you suggest?

Yes; £2. Based on analysis of Hansard records and Gaming Board reports, there appears to have been almost no public debate or consultation about the creation of the B2 category and its £100 limit.

Rather, B2 machines managed to evade Gaming Board definitions such that an agreement was

reached with the LBO and gaming machine industry to allow them, with significantly enhanced stakes and prize limits. This resulted in a substantial discrepancy between the stakes and prizes available on machines in betting shops versus in other, more tightly regulated environments such as bingo halls, where staff typically exercise greater oversight. In light of the serious risks of harm with which B2 machines are now associated, there is an urgent need to reduce the stakes to the same limit as the B3 machines – limits that were debated in parliament and subject to public consultation, and that build on a long history of regulatory oversight.

Q3. Do you agree with the proposal to maintain the status quo on category B3?

Yes. Among our interviewees in the commercial bingo sector, there was no desire to increase the limit on B3s. Moreover, historically the bingo sector (commercial and non-commercial) has often been negatively impacted by scandals and moral panics involving other gambling sectors. It would be a real shame if the current concern with B2s led to a reduction in B3 stakes and prizes absent clear evidence of harm from these machines.

Q 4/5: On maintaining the status quo on category B3a and B4.

Yes. It is telling, however, that the government consultation document on the suggested changes references a lack of submissions on gambling in the club environment (para 3.21). Our research found that the non-commercial club sector, in particular, has almost completely fallen out of the sight of regulators and lawmakers in recent years, often forgotten entirely. Yet it remains a key part of the gambling environment, especially in South Wales, and the North East and West. In fact, non-commercial clubs running games like bingo for mutual aid (as distinct from charitable) purposes used to be the dominant actor in UK gambling law and policy debates; analysis of Hansard shows that the non-commercial club sector was a driving force behind legislative change until the 1980s, when it was eclipsed by commercial gambling operators and charities backing the national lottery. One of our key suggestions for UK regulators and policymakers is to that non-commercial bingo operators should be involved more systematically in debates about gambling regulation, since the scale of play in this sector remains significant. Better outreach to representatives of the sector would seem advisable.

Q10. Do you agree with the proposal to ban contactless payments as a direct form of payment to gaming machines?

Yes. Evidence from a range of jurisdictions suggests that automating payment can result in higher spend; according to Natasha Dow Schüll's research that is a key reason why gambling machines were initially made cashless in Vegas.¹ In particular, my work on bingo in the UK and Canada suggests that many players come to play with designated amounts of cash, and they will often split notes into coins to use for interval games, or in machines. Our final report contains several photographs of the stacked coins. Once the pile of coins is gone, it is generally not topped up. In my view, based on the bingo experience, cash is a responsibility-enhancing mechanism. Hence I agree that the government should bar contactless payments. Following the same reasoning, I disagree with measures to shift to cashless play as a social responsibility measure (see question 11).

Q11. Do you support this package of measures to improve player protection measures on gaming machines?

No, especially in relation to player tracking.

In my view, based on research into bingo, use of cash is a responsibility-enhancing mechanism, and it is especially relevant for older, poorer people (see question 10). This is in direct contrast to how cash-use is framed in much current gambling policy (where use of cash is a concern for money laundering, and because players can not be automatically tracked). Hence I do not agree with measures to move players to cashless play. In fact those measures seem to be in conflict with the government's position that contactless payments should not be allowed as a direct method of payment in gambling machines (e.g. para 4.22). The key rationale – that cashless play allows players to be tracked, and social responsibility interventions to be better targeted – is in my view unsupported by evidence. As the

¹ See Natasha Dow Schüll, *Addiction by Design: Machine Gambling in Las Vegas* (Princeton University Press 2012).

government notes in the consultation document, player tracking algorithms are unproven in their effectiveness (para 5.8.4), and I do not share ministerial belief in their potential.

Based on research into bingo, I found that the roll out (in legislation and subsequent licensing conditions) of a legally enforceable framework designed to ensure that gambling operators are adhering to social responsibility obligations has had two key consequences for commercial bingo:

1. It has resulted in the increased responsabilisation of staff, as manifest in new standardized procedures around age verification, customer interaction, and money laundering. These cause considerable anxiety, and download compliance worries onto front line workers.
2. It has intensified reliance on technologies (often borrowed from casinos and online gambling formats) to identify and manage vulnerable players. These technologies are usually reliant on moving customers to cashless play, in order that they can be tracked. This technique that is of dubious effectiveness in terms of preventing excessive spending in bingo, *and it might actually be counter-productive* because it interrupts well-established routines of setting aside certain amounts of cash for gambling. However it is potentially very effective at generating data of use in commercial marketing.

Instead of turning to algorithms, evidence suggests that bingo staff are key to successful problem gambling interventions. Operational staff, who know regulars, who monitor spend, who feel a sense of care and responsibility for people playing, and who may be approached with concerns by friends and family members, seem to be a key defence against irresponsible play. They should be supported, empowered, and paid decently. Many front line commercial gambling staff, in bingo and other sectors, are paid minimum wage, and yet are being placed under increasing pressures to interact with customers to ensure that social responsibility requirements are met. There is no evidence that their skilled labour could be better done by an algorithm; on the contrary, in other jurisdictions there are serious concerns about misuse of such player tracking technologies, including for marketing and to enhance spend (see e.g. Natasha Dow Schull's account of player tracking in Nevada, referenced above).

Q12. Do you support this package of measures to improve player protection measures for the online sector?

No, to the extent that they increase reliance on algorithmic approaches to responsible play.

Enthusiasm for player tracking technologies in land-based gambling environments is bolstered by the claim that online operators are potentially safer because they have delegated knowing their customers to algorithms (paras 5.19-5.25). This ignores the role of frontline staff in problem gambling prevention and treatment, and positions online gambling operators as at the cutting edge of responsible play – somewhat of an irony given the widespread and extensive violations of customer protection acknowledged by the government (fig 3) and the online sector's very late adaptation of rudimentary self-exclusion policies.

Q 16. Are there other relevant issues, supported by evidence, that you would like to raise?

As per my response to questions 4 and 5, my research suggested that the non-commercial dimension of gambling, in environments such as working men's clubs, had fallen out of sight of regulators and policymakers. Play for mutual aid purposes – which used to dominate discussion of UK gambling law and policy – is now barely noticed; all attention is on commercial operators, charitable lotteries (often allied with commercial operators), or those dealing with gambling addicts. The range of issues and actors considered relevant to policymakers has narrowed considerably, and hence consultations are hearing from a select group. Gaining better knowledge of non-commercial gambling, especially in the mutual aid (as opposed to charitable) form, would be valuable.

Academic Publications from the Bingo Project.

Published work.

1. Bedford, K. (2015). Regulating Volunteering: Lessons from the Bingo Halls. *Law & Social Inquiry* 40.2: 461–490.
2. Bedford, K. 2015. Letting the right ones in: whitelists, jurisdictional reputation, and the racial dynamics of online gambling regulation. *Environment and Planning D*. Vol 34.1: 30-47.
3. Bedford, K. 2016. Bingo Regulation and the Feminist Political Economy of Everyday Gambling. *Globalizations* 13.6: 801-814.
4. Bedford, K. (2014). Research Note: Bingo and Feminist Political Economy. *Feminists@law*, 4 (1). Available here: <http://journals.kent.ac.uk/index.php/feministsatlaw/article/view/97>.
5. Jobim, M L K and T Williams (2016). “Análise crítica à luz dos pilares da legislação consumerista e do "the bingo project" (critical analysis under the auspices of consumer legislation and of the Bingo Project”. (in Portuguese), *Revista do Direito do Consumidor* vol 103: 359-379. (ISSN: 1415-7705).
6. Jobim, M L K and T Williams (2017). “Chance Developments: Bingo Regulation in Brazil,” *Revista Análise Econômica* vol. 35 n.especial. (ISSN 0102-9924 / e-ISSN 2176-5456) available at: <http://seer.ufrgs.br/index.php/AnaliseEconomica/article/view/70305>.
7. Jobim, M L K and T Williams (2017) "Bingos no Brasil: fardo ou legado? Reflexões críticas e contribuições para a regulação dos jogos na atualidade”, pp.85-100 in *A Teoria das Probabilidades no Jogo, na Ciência e nas Políticas Públicas* Luiz Carlos Prestes Filho (ed) (Rio de Janeiro, E-Papers, 2017) ISBN 978-85-7650-563-1.

Forthcoming Publications.

1. Casey, D. *The DNA of Bingo: Charity and Online Bingo* in Michael Egerer, Virve Marionneau and Janne Nikkinen (eds) *Gambling Policies in European Welfare States: Current Challenges and Future Prospects* (Palgrave Mcmillan 2018). In press.

Academic Publications Under Review

1. Bedford, K. *Bingo: Regulating Gender and Gambling in Everyday Life* (monograph); book drafted; proposal submitted; under review.
2. Bedford, K. *Regulating Bodies in Canadian Bingo* (12000 words), under review at the *Journal of Law and Social Policy*, for a special issue on socio-legal approaches to regulating playful speculation.
3. Williams, T. “All about that Place: The rise and demise of bingo regulation in Brazil”, (10000 words), under review at the *Journal of Law and Social Policy*, for a special issue on socio-legal approaches to regulating playful speculation.
4. Casey, D. *Risk, Charity and Boundary Disputes: The Liberalisation and Commercialisation of Online Bingo in the European Union* (2018) *Journal of Law and Social Policy*. Under Review.