

**Association of British Bookmakers submission to the Department for Digital,  
Culture, Media & Sport Consultation on proposals for changes to Gaming  
Machines and Social Responsibility Measures**

**FULL RESPONSE**

**January 2018**

## Overview of the DCMS Consultation on proposals for changes to Gaming Machines and Social Responsibility Measures:

- 1.1 The ABB is the industry association for the high street betting industry. Our members represent 80 per cent of the retail betting market including Ladbrokes Coral, William Hill and 80 independent bookmakers with shops ranging in number from the single shop to over 100.
- 1.2 We note, and fully support the declared objective of the Review instituted by the Department for Digital, Culture, Media & Sport (DCMS), which was "...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 the communities they live in."
- 1.3 We note the advice provided by the Responsible Gambling Strategy Board (RGSB) and consider it an important contribution to the debate. We would highlight the view stated by the RGSB that whilst "Many commentators appear to take it for granted that reducing maximum stakes on B2 gaming machines would necessarily make a material contribution to reducing gambling-related harm. The evidence suggests that a reduction in harm is far from certain".
- 1.4 We do not believe that there is evidence to support a stake reduction or that a stake reduction will meet the Government's objective of reducing harm. If however, the Government's decision is led by the 'precautionary principle', then we believe any reduction decided upon should either be minimised to the highest proposed level within the Consultation (£50) or there should be a two-tier stake proposition, that allows £50 staking. Only players who were willing to provide personal details would be able to play at the higher level, enabling their play to be tracked and targeted with responsible gambling messaging, whereas anonymous play would be restricted to the lower level.
- 1.5 Combined with a package of responsible gambling measures, we believe this will deliver on the combined Government objectives of allowing for socially responsible growth and serving to further protect the vulnerable. The ABB response should be viewed as a holistic and comprehensive package to minimise harm.
- 1.6 In order to deliver such a package of responsible gambling measures on this scale, the LBO sector requires a stable and predictable environment. A major stake cut, resulting in a rapid decline in the LBO estate and low levels of profitability, will make the delivery of such a package very difficult and potentially financially ruinous.
- 1.7 Set against this, a profitable LBO industry with a stable regulatory framework could continue to lead the development of player protection measures and support other elements of the gambling industry in replicating these measures resulting in greater protection for consumers across the board.
- 1.8 We trust that the Government will consider the ABB's response "in the round" and that the ABB proposals constitute a coherent strategy to reduce gambling-related harm. We hope that it is clear that major advancements in player protection are not well-served by a punitive cut in staking levels on B2 machines.
- 1.9 The Industry is determined to ensure that the vulnerable are supported. The people who work in betting shops are passionate about looking after their customers. The industry has already invested widely in trialing technology and techniques to help problem gamblers and to change habits. Betting shops lead the field across the gambling sector, and will carry on

doing so. The key to preventing and reducing gambling-related harm is for the continuing development of player protection measures. This rather than stake cut is the right way to deliver on the Government's objectives. As we outline in our response to Question 11, we believe this offers the greatest opportunity for a step change in the provision of responsible gambling measures in the UK.

*Economic impact of the Consultation:*

- 1.10 The ABB strongly believes that Government should implement policies that deliver its objective of achieving "...socially responsible growth and the protection of consumers and the communities they live in." Of these objectives, consumer protection should have primacy and the ABB does not contend that economic impact should be of primary importance if the measures that the Government propose can be proven to reduce gambling related harm in an efficient manner.
- 1.11 Nonetheless the ABB notes the RGSB Advice in relation to the call for evidence and in particular highlights their view that "There is, however, no evidence-based way of determining any uniquely correct new level (of B2 maximum stake)".
- 1.12 Against this background, we believe that due consideration has to be given to the varying economic impact of the different proposed maximum staking levels on B2 machines. We have provided economic modelling, performed by KPMG, and are confident that the predictions made of the effects of stake cuts are realistic. Even those who disagree (and with whose analysis we strongly disagree) accept that there will be a substantial number of shop closures at every level of stake cut. The debate is only about the severity of the effect.
- 1.13 The betting shop sector is already in decline. 315 shops have closed in the last 10 months. 1,400 shops are predicted to close by 2020 if stakes are maintained at £100, while at a maximum stake of £50 an additional 300 shops would be expected to close, and at £2 an additional 3,100 (making a total of 4,500 – more than half the existing estate) would be expected to close by that date.
- 1.14 The number of job losses correlates with the number of shop closures. Almost 6,500 job losses are predicted by 2020 if the stake is maintained at £100. A stake cut could cost an additional 1,300 jobs if the maximum stake is set at £50, with up to an estimated 15,500 jobs lost if the maximum stake is set at £2. Our considerable understanding of the micro-economic effects on individual shops of stake cut makes the predictions of shop closures particularly reliable.
- 1.15 A maximum £2 stake would result in the de-facto abolition of B2 category gaming machines.
- 1.16 Many of the 4,500 shops that may close will remain vacant. Empty shops add to the desolation and isolation that communities feel. Betting shop closures will be keenly felt by communities ill able to deal with their loss. The consequent reduction in footfall will have continuing knock-on effects on the high street. Business rates receipts will be badly affected. A survey by ESA Retail found that 89% of betting shop customers combine their trips to the betting shop with visits to other local businesses. Over half of other respondents said they usually spend more than £10 in other local shops (see Appendix 4).
- 1.17 The human and economic effect of the job losses from shop closures will be substantial. Many who lose their jobs will not be able to find the flexible, secure employment that working in a betting shop involves or any work at all. The job losses will be spread across the country, in places and communities that are already struggling. There will be serious knock on effects,

both financial and socially, for families and communities with those least able to manage being worst affected.

- 1.18 Any stake cut will reduce the tax take to the tune of between £117 million - £1.08 billion depending on the scale of any stake cut<sup>1</sup>.
- 1.19 Any reduction in betting shop numbers will have a direct impact on the amount that horse racing receives from betting. Whilst the Levy will be hit, the most obvious effect would be on media rights payments which are mainly paid on a per-shop basis. If one takes media rights at £250 million per annum, every shop closure reduces racing's income by just over £30,000 (inc VAT) per annum. If only 1,000 shops close, the loss in media rights will wipe out the effect of the extension of the Levy to offshore. If 3,000 shops close, then it is equivalent to wiping out the whole Levy. The Levy was described by chief executive of the Racecourse Association, Stephen Atkin, as "crucial" funding for horseracing when commenting on reforms to the Levy system in 2017<sup>2</sup>.
- 1.20 The vast majority of customers who play gaming machines tend to just play machines and therefore will not transfer spend to sports betting but to gaming machines in other venues. Industry experience reflects this. For example, shops in Ladbrokes Coral which lost revenue from machines following the April 2015 measures did not see any uplift in OTC business (OTC stakes growth was -3% both pre and post implementation)<sup>3</sup>.
- 1.21 The British Horseracing Authority (BHA) has forecast that prize-money in Britain will reach £160 million in 2018<sup>4</sup>. If a cut in maximum stake to £2 were implemented, Racing would lose over £120 million in media rights payments in 2020. That equates to 75% of the total prize money allocated for 2018 alone, and more than double the Levy yield for 2016/17.
- 1.22 The following table details the economic costs associated with each of the proposed maximum stake levels on the LBO sector in terms of number of shops expected to close, associated job losses, and associated Exchequer return levels, as modelled by KPMG:

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<sup>1</sup> An economic analysis of potential regulatory changes on a 73% sample of the land-based betting industry, KPMG

<sup>2</sup> New era for racing as levy reforms come into effect from Tuesday, *Racing Post*, 24 April 2017, <https://www.racingpost.com/news/new-era-for-racing-as-levy-reforms-come-into-effect-from-tuesday/283170>

<sup>3</sup> Measurement based on 12 weeks growth pre vs 12 weeks growth post implementation of the Gaming Machine (Circumstances of Use) (Amendment) Regulations 2015

<sup>4</sup> Prize-money in Britain to reach record £160m in 2018, *Racing Post*, 29 December 2017, <https://www.racingpost.com/news/prize-money-in-britain-to-reach-record-160m-in-2018/313809>

- 1.23 It should be noted in the case of media rights, that these are expected to generate an additional £23.2 million by 2020 if the maximum stake on B2 machines is maintained at £100. If a £2 maximum stake is implemented, a £215 million reduction in media rights payments is predicted, leading to a cost to racing of over £238 million compared to the position should the current maximum stake level be maintained.
- 1.24 There is no substantial evidence to suggest that a stake cut will do anything to help prevent or reduce problem gambling and indeed may make it worse. By contrast, it will decimate communities, put tens of thousands of people out of jobs, greatly reduce tax yield to the Exchequer, and result in real financial damage to horse and greyhound racing.
- 1.25 The effects would be particularly devastating if stakes were cut to £2. More than 4,500 betting shops would close, nearly 22,000 people would lose their jobs, the Exchequer would lose out on more than £1 billion in taxes, and the horseracing and greyhound industries would suffer a £291 million loss of Levy and media payments. A £2 stake would lead to the de-facto abolition of B2 machine content, potentially forcing gamblers towards other products in less regulated environments or with no maximum stakes at all. The ruinous impact on the LBO industry would put pioneering work on player protection measures at risk – undermining efforts to tackle gambling-related harm.
- 1.26 In contrast, we have identified a package of innovative player protection measures which could be introduced within 24 months of a consultation outcome which delivers a stable outcome for the LBO sector, to continue the ongoing fight against gambling-related harm. These include “Hard Stop” session limits of £500 losses, in line with the Government’s definition of large-scale losses; requiring all players to set their own time and spend limits; new algorithm-based warnings to help prevent risky play and people chasing losses; reduced stakes for B2 slot content to reflect concerns about high session losses; a new system of voluntary debit card blocking giving customers the power to stop their cards being usable in gambling venues; and an expansion of a leading treatment pilot aimed at areas of high economic deprivation.

- 1.27 We believe this combination of measures is the best way to achieve the Government's objectives of delivering socially responsible growth while protecting consumers and the communities they live in.

**Q1. Do you agree that the maximum stake of £100 on B2 machines (FOBTs) should be reduced? If yes, what alternative maximum stake for B2 machines (FOBTs) do you support?**

#### **Overview & summary**

- 1.1 The ABB does not believe that the statistical data set out in the Consultation provides sufficient evidence to warrant a stake cut from the current maximum stake on B2 machines of £100.
- 1.2 However, we have reflected on the advice provided to Government by the Responsible Gambling Strategy Board (RGSB) and consider it provides an important contribution to the debate.
- 1.3 In responding to the Consultation and specific questions contained therein, we believe that analysis and recommendations contained in the RGSB Advice provide the strongest structure for considering impact and value of alternative measures including reduction in maximum stakes and other measures to reduce gambling related harm. We contend that the RGSB is the leading academic authority in the debate around responsible gambling and great weight should be placed on their advice.
- 1.4 Whilst we do not agree with the RGSB view that the precautionary principle should be applied, we acknowledge that the Government is committed to cutting the maximum stake on B2 machines. However any measures introduced must be proportionate, reasonable and objectively justifiable with due regard given to the evidence.
- 1.5 We contend that, of the options proposed, the only option that is justified, given the limited evidence of harm, is a cut in maximum stake to £50.
- 1.6 Should the Government wish to implement a maximum stake below £50, we strongly suggest that a 'journey' be established permitting those customers who have registered, and will be monitored under a player tracking system, to stake up to the £50 level.
- 1.7 There are a number of measures that impact on gaming machine play. We are strongly of the belief that the Government has to give due consideration to Expected Average Total Cost per hour (EATC/h) on gaming machines, given that any major stake change will result in significant anomalies comparative to other categories of machine available in other gambling venues. Many of the maximum stake reductions proposed would result in those venues with the lowest levels of player protection being rewarded and those with the highest levels of current and proposed player protection severely penalised.

Category & type/location	Max stake (£)	RTP (percent)	EATC/h (£)	Time required to complete each game (seconds)
B1	5	92.5	540	2.5 (1440 games per hour max)
B2 (roulette)	100	97.3	486	20 (180 games per hour max)
B2 (roulette)	50	97.3	243	20 (180 games per hour max)
B2 (roulette)	30	97.3	145.8	20 (180 games per hour max)
B2 (roulette)	20	97.3	97.2	20 (180 games per hour max)
B2 (roulette)	2	97.3	9.72	20 (180 games per hour max)
B3	2	89.5	302	2.5 (1440 games per hour max)
B4	1	80	288	2.5 (1440 games per hour max)
C (AGCs)	1	88	173	2.5 (1440 games per hour max)
C (pubs)	1	78	316	2.5 (1440 games per hour max)
D	10p	70	43	2.5 (1440 games per hour max)

- 1.8 We wish to make it clear that a £2 maximum stake on B2 gaming machines will effectively abolish B2 category gaming, with operators only offering B3 gaming which has a lower RTP and faster spin speed. This view is echoed by the RGSB in its advice. We do not believe that such an outcome is consistent with the stated aims of the Government's Call for Evidence and this Consultation.
- 1.9 Any decision to reduce the maximum stake will also have significant economic consequences for betting shop operators, their staff, Exchequer returns and wider related stakeholders including the horse and greyhound racing sectors. The detail on these impacts is set out within our response and detailed in full in Appendix 5.
- 1.10 We agree with the Government and RGSB that there are further measures that can be taken with regards to gaming machines in relation to improving player protection. We address each of the measures suggested in the Consultation along with additional measures proposed by the ABB membership in Question 11.
- 1.11 In Chapter Two of the Department for Digital, Culture, Media and Sport (DCMS) document *Consultation on proposals for changes to Gaming Machines and Social Responsibility Measures*, (the Consultation) the Department states in paragraph 2.11 that "Taken together, we think that the weight of evidence set out above justifies Government action on B2 machines, but we acknowledge that there is limited evidence to inform exactly at what level the revised maximum stake should be."
- 1.12 Having reviewed published evidence submitted to the DCMS *Review of Gaming Machines and Social Responsibility Measures – Call for Evidence* and the evidence set out in Chapter 2 of the Consultation, we do not agree that the weight of evidence justifies a revision of the maximum stake on B2 machines.
- 1.13 However, we do believe that further measures can be taken with regard to all categories of machines in relation to improving player protection and we address both measures suggested in the Consultation and additional measures proposed by the ABB membership in our responses to Questions 11 and 12.

## 2. An analysis of evidence cited in the Consultation to justify Government action on B2 machines and a revised maximum stake:

*Statistics do not show an increase in problem or at-risk gambling rates*

- 2.1 Paragraph 1.1 of the Consultation states “While headline rates of problem gambling and at risk rates have been relatively stable in this time (the ten year period since the introduction of the Gambling Act 2005), the latest statistics show an increase in problem gambling rates from 0.6% of the population in 2012 to 0.8% of the population in 2015. Around a further 2 million people were identified as being at risk of problem gambling.”
- 2.2 The NatCen Report *Gambling Behaviour in Great Britain 2015*, which forms the basis for the assertion on paragraph 1.1 of the Consultation that problem gambling rates have risen, explicitly disagrees with this conclusion and states “Looking at problem and at-risk gambling, rates were similar to those published in 2012. In 2015 approximately 0.8% of adults in Great Britain were estimated to be problem gamblers (according to either screen) and a further 3.9% were either low or moderate risk gamblers according to the PGSI. Taken together, this means that one in twenty adults (5%) experienced some difficulty with gambling in the past year, the same as observed in 2012”.<sup>5</sup>
- 2.3 The more detailed statistical notes that accompany the NatCen Report *Gambling Behaviour in England and Scotland 2012* further undermine the conclusion in paragraph 1.1 of the Consultation and highlight the risks of drawing conclusions from relatively small movements in percentage scores. Reflecting on earlier changes in the DSM-IV estimate of problem gambling the report states “For the DSM-IV, estimates varied from 0.6% in both 1999 and 2007 to 0.9% in 2010 to 0.5% in this report. These differences were not statistically significant. The same was true when comparing problem gambling estimates for the PGSI, where rates were 0.6% in 2007, 0.8% in 2010 and 0.4% in the combined health survey series. This too was not statistically significant.”<sup>6</sup>
- 2.4 Further caution should be applied to comparing rate changes between the 2012 and 2015 NatCen Reports. The 2012 Report covered just England and Scotland. The 2015 Report covered Great Britain (including Wales). Wales traditionally has a higher percentage of problem and at risk gamblers reflected in previous surveys and, whilst the population of Wales is relatively small, when combined with statistical rounding, the impact of the inclusion of Wales in the survey could lead to a statistically invalid assertion that 2015 problem gambling rates were higher than in 2012.
- 2.5 Overall, we contend that the statement in paragraph 1.1 that problem gambling rates have increased is misleading and fails to stand up to any reasonable statistical analysis.

*Support from Local Authorities for a reduction in maximum stake limits for B2 machines to £2*

- 2.6 It is stated in the Consultation that “In response to the call for evidence, there was widespread support for a reduction in stake limits for B2 machines to £2. This is supported

<sup>5</sup> Page 52, 2<sup>nd</sup> para - <http://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-behaviour-in-Great-Britain-2015.pdf>

<sup>6</sup> <http://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-behaviour-in-England-and-Scotland-Findings-from-the-Health-Survey-for-England-2012-and-Scottish-Health-Survey-2012.pdf>

by the Local Government Association (LGA) and by 93 local authorities (LAs) across England and Wales from across all political parties (although we only received 27 submissions to the call for evidence from LAs, 93 LAs supported a Sustainable Communities Act submission in 2015 calling for a reduction to £2)."

- 2.7 We accept that a number of bodies representing local authorities and a number of local authorities themselves have been vocal in their support for a cut to the current maximum stake on B2 machines of £100. However, this does not lead us to conclude that a majority of local authorities, or even a significant minority of local authorities, have expressed a clear view in support of reducing stakes and, as such, we believe that the consultation is incorrect to suggest this.
- 2.8 The assertion that 93 local authorities (LAs) supported a Sustainable Communities Act submission in 2015 calling for a reduction to £2 is incorrect. A Freedom of Information request from November 2015, responded to by Newham Council in May 2016<sup>7</sup>, showed that only 64 endorsements were received for Newham Council's Sustainable Communities Act submission. Of these, 37 Council Leaders offered support on behalf of their councils, 3 elected Mayors offered support on behalf of their councils, and 1 cabinet member offered support on behalf of their council; 41 councils in total. Support was offered by 3 licensing committees and 20 Council Leaders or mayors offered their personal support, but did not have the full support of their councils.
- 2.9 We strongly contend that the actual level of response to the call for evidence from LAs (just 27 submissions from approximately 418 principal (unitary, upper and second tier) councils in the UK – only 6% of all Local Authorities) is a far more accurate reflection of the low-level of concern around this issue among LAs. We would highlight data published by the Gambling Commission<sup>8</sup> showing that over the eight year period from April 2009 to March 2017, there were only 449 Local Authority visits to a betting shop as a result of a complaint (89 of which were undertaken by just 6 Local Authorities). This equates to an average of just 56 visits per year across the whole of Great Britain. The number of annual visits to a betting shop following a complaint by a Local Authority has declined year on year since March 2012.
- 2.10 Some Local Authority concern is most likely related to the growing presence of LBOs on the high street since the abolition of the demand test. This consultation is not focused on the composition of the high street and a change in planning regulations putting betting shops in a *sui generis* use class has addressed any related concerns.
- 2.11 We suggest that these statistics, coupled with the information set out in relation to the SCA are indicative of LBOs being of low-level interest to the majority of local authorities.

*Additional support for a reduction in maximum stakes limits for B2 machines to £2*

- 2.12 In paragraph 2.2 of the Consultation we note reference to support for a stake reduction by "...a variety of campaign groups, charities and faith groups (those publicly supporting this proposal include the Church of England, Methodist Church and Quaker Foundation). In addition we received a submission from the All-Party Parliamentary Group on FOBTs which

<sup>7</sup> [https://www.whatdotheyknow.com/request/fobts\\_sustainable\\_communities\\_ac#outgoing-559261](https://www.whatdotheyknow.com/request/fobts_sustainable_communities_ac#outgoing-559261)

<sup>8</sup> <http://www.gamblingcommission.gov.uk/news-action-and-statistics/Statistics-and-research/Statistics/Licensing-authority-statistics.aspx>

is calling for a reduction to £2 and a petition from the campaign group, 38 degrees, with over 100,000 signatories calling for a “crackdown on addictive betting machines and adverts” and “limits on how much people can gamble on betting machines in one go.”

- 2.13 Having reviewed the evidence provided by these groups we can find no new or compelling evidence associated with their submissions.
- 2.14 We acknowledge the genuine concerns of faith groups and their sincere motivation for opposing the current maximum stake on B2 machines. We do not, however, find the evidence submitted by these groups significantly insightful or providing evidence of particular harm associated with B2 machines as opposed to other forms of gambling.
- 2.15 Much of the vocal opposition to the maximum stake on B2 machines comes from those with a vested commercial interest in seeing the stake reduced. Whether elements of the casino industry or the AGC sector, we contend that their evidence and campaigning should be viewed with a significant level of scepticism and considered in the light of the major commercial gains they stand to make from a reduction in B2 stake. Further, we would highlight the potential that they are seeking to distract attention from the negligible safeguards they offer on machines in their venues.
- 2.16 We would highlight that the vast majority of customers who play gaming machines tend to just play machines and therefore will not transfer spend to sports betting but to gaming machines in other venues. Industry experience reflects this. For example, shops in Ladbrokes Coral which lost revenue from machines following the April 2015 measures did not see any uplift in OTC business (OTC stakes growth was -3% both pre and post implementation)<sup>9</sup>.
- 2.17 While noting the views expressed by the 100,000 signatories to the 38 degrees petition, we find it surprising that no mention is made in the Consultation of the in excess of 300,000 signatories of the *Back Your Local Bookie* petition that was submitted to DCMS in December 2016. These signatories supported the message that “More than 6 million people use betting shops every year. These shops have been part of our community for over 55 years and need support. Hundreds of betting shops have already been forced to close and many more risk closure. I have the right to spend my money as I choose and I choose to support local bookie. I urge the Government not to undermine that freedom or put thousands of jobs at risk through further regulation or tax hikes.”
- 2.18 We strongly believe that this far larger group represents what is effectively a silent majority that gamble responsibly, perceive little or no risk around machines in betting shops, and wish to maintain the utility provided by LBOs across the UK.
- 2.19 Overall, we contend that there are effective campaigning organisations opposed to the current maximum stake on B2 machines. Some are sincerely motivated while others appear to be primarily motivated by commercial self-interest. In both cases we do not believe that effective campaigning and consequent media profile, should be taken as suggesting widespread public support for a stake cut.

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<sup>9</sup> Measurement based on 12 weeks growth pre vs 12 weeks growth post implementation of the Gaming Machine (Circumstances of Use) (Amendment) Regulations 2015

*Participation rates on B2 gaming machines:*

- 2.20 In paragraph 2.8 of the Consultation, it is stated that “We acknowledge that headline problem gambling rates have remained statistically stable since the introduction of B2 machines as well as before this point. However, headline problem gambling rates may not be significantly affected by a single form of gambling, (footnote 5: Participation rate on B2 gaming machines is approximately 1.5% of the adult population) and an over-reliance on this single metric may mask widespread harm caused to those who are most vulnerable.”
- 2.21 We agree that the headline problem gambling rate has remained statistically stable since the introduction of B2 machines as well as before this point. The Consultation points to the low participation rate on B2 machines as reason why the introduction of B2 machines has not had a significant impact on problem gambling rates. However, the participation rates on B2 machines are higher than claimed in the Consultation (as set out in the most recent NatCen *Gambling behaviour in Great Britain 2015* report which identified a participation rate of 3% of the adult population). Therefore, we contend that that an increase in problem gambling rates would be expected, and visible, if there was a causal link between the B2 machine product and problem gambling.
- 2.22 We continue to believe that, with 4 million sessions played on 34,000 B2 machines on a weekly basis, it is inconceivable that headline problem gambling figures would not be affected if B2 machines were a significant cause of harm or problem gambling.

*NatCen secondary analysis of loyalty card survey*

- 2.23 In paragraphs 2.8 and 2.9 of the Consultation reference is made to NatCen’s secondary analysis of loyalty card data survey to suggest that “... a high proportion of gross expenditure on machines in betting shops is attributed to problem gamblers...”, that “... problem gamblers are disproportionately found at higher stakes and are more frequent users of the maximum stake.” and “...those who are unemployed are more likely to use the maximum stake more often than any other socio-economic group”.
- 2.24 We contend that the use of this survey and the underpinning data relating to loyalty card players in order to extrapolate evidence for non-loyalty card players and make statements relating to all B2 machine players in general, is a fundamental misuse of the data. The report authors state the following limitations on the use of NatCen’s secondary analysis of loyalty card survey:

*“The response rate to the survey was low, and whilst weighting attempted to adjust for potential non-response biases, very little was known about the characteristics of loyalty card holders. Therefore, it was difficult to assess the range and type of biases that may be evident in the survey results. For example, those who provided valid contact details to operators may be systematically different from those who did not. This is currently unknown, and therefore we are uncertain as to how “representative” these survey results are of all loyalty card holders.*

*“Those who took part in the loyalty card survey were heavily engaged in gambling. They had a younger profile and lived disproportionately in deprived areas. These are characteristics typically associated with greater risk of gambling problems. These findings are not surprising, as the study was of people who signed up for a loyalty card, therefore*

*one would expect them to be more heavily engaged in gambling. The findings from this survey, however, should not be extrapolated to all machine players, as loyalty card customers represent only one segment of the player base. Furthermore, it was estimated that only one in ten bookmakers' transactions were recorded via a loyalty card. Comparison of these data suggests that loyalty card information misses shorter sessions of play.”<sup>10</sup>*

- 2.25 That the NatCen Research into loyalty card holders significantly overstates levels of at-risk and problem gambling on gaming machines in betting shops is further reinforced by the NatCen report into Gambling Behaviour in Great Britain in 2015. This survey encompassing both loyalty card and non-loyalty card players identified 11.5% of players of machines in bookmakers as problem gamblers. This estimate is significantly lower than the estimates for problem gambling levels among loyalty card holders which NatCen found to range between 46% of players at or above £50 to 19% of players at £2.
- 2.26 Overall, we contend that the NatCen secondary analysis of loyalty card players should not be used to support statements about the betting shop environment or B2 revenues and player behaviour as a whole.
- 2.27 In summary, we believe that the factual errors in the Consultation, misuse of statistical information and selective use of evidence all militate against the conclusion drawn in the consultation that “...the maximum stake of £100 on B2 machines (FOBTs) should be reduced.”

### **3. RGSB advice in relation to the DCMS review of gaming machines and social responsibility measures**

- 3.1 While we have significant concerns in relation to the evidence highlighted to justify the conclusion drawn in the Consultation that “... the maximum stake of £100 on B2 machines (FOBTs) should be reduced” we do consider that the RGSB advice in relation to the DCMS review (the Advice) is of value and provides an important contribution to the debate.
- 3.2 It should be noted that we do not agree with all of the RGSB analysis nor with all the recommendations in the Advice, however we believe it sets out a balanced analysis of the issues relating to B2 machines and effectively highlights many of the limitations in terms of outcome and risks associated with a reduction in maximum stake on B2 machines.
- 3.3 We note the RGSB's view set out in the Executive Summary of the Advice that “There is sufficient evidence of harm associated with gaming machines (primarily B2s) in licensed betting offices (LBOs) to apply the precautionary principle. Doing so is not, however, entirely straightforward. It requires judgement about the balance of risks.”
- 3.4 We do not agree with the RGSB view that the precautionary principle should be applied.
- 3.5 In responding to the Consultation and specific questions contained therein, we believe that analysis and recommendations contained in the RGSB Advice provide the strongest structure for considering impact and value of alternative measures including reduction in maximum stakes and other measures to reduce gambling related harm.

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<sup>10</sup> <https://about.gambleaware.org/media/1259/natcen-secondary-analysis-of-loyalty-card-survey-final.pdf>

#### **4. Analysis of current maximum stakes on B2 machines and alternatives suggested in the consultation:**

*Current maximum stake on B2 machines: £100*

- 4.1 We do not believe that the statistical data set out in the Consultation provides sufficient evidence to suggest a stake cut from the current maximum stake on B2 machines of £100 is required. Indeed to do so, would be in contravention of the Government's own stated objective of sustaining socially responsible growth.
- 4.2 We continue to believe that a reduction in maximum stake on B2 machines in LBOs would require there to be evidence that the machines have brought about an increase in problem gambling or are in some way uniquely harmful to individuals, potentially by bringing about very large losses.
- 4.3 There continues to be no evidence that either is the case. All recent surveys around problem gambling levels in the UK show that problem gambling rates are stable and have remained so since the introduction of B2 machines. Similarly, we note the recent Gambling Commission analysis of data from the British Gambling Prevalence Surveys in 2010 and 2012. An earlier finding (in 2007) that play on gaming machines in LBOs was unique in that it retained a significant association with problem gambling was not replicated. As the RGSB notes "In the later surveys the data do not (sic) suggest that machine play in LBOs had a unique association with problem gambling. After controlling for participation in multiple activities, there were no consistent links across the three data sets between problem gambling and any single form of gambling."<sup>11</sup>
- 4.4 The Consultation highlights that the main arguments referenced by faith groups, local authorities and campaign groups/charities were "... focused on the disparity between the maximum stakes on B2 machines of £100 and the maximum stake on other gaming machines in accessible locations of only £2." This apparent anomaly was also considered by the RGSB, which examined the expected average theoretical cost per hour (EATC/h) of different categories of machine available in different venues.

Their findings are set out below<sup>12</sup>:

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<sup>11</sup> <http://www.gamblingcommission.gov.uk/news-action-and-statistics/news/2017/New-data-to-inform-government-gambling-review.aspx>

<sup>12</sup> <http://www.rgsb.org.uk/PDF/Advice-in-relation-to-the-DCMS-review-of-gaming-machines-and-social-responsibility-measures.pdf>

Table 7: Expected average theoretical cost per hour (EATC/h) of different categories of machines				
Category & type/location	Max stake (£)	RTP <sup>73</sup> (percent)	EATC/h (£)	Time required to complete each game (seconds)
B1	5	92.5	540	2.5 (1440 games per hour max)
B2 (roulette) <sup>74</sup>	100	97.3	486	20 (180 games per hour max)
B3	2	89.5	302	2.5 (1440 games per hour max)
B4	1	80	288	2.5 (1440 games per hour max)
C (AGCs) <sup>75</sup>	1	88	173	2.5 (1440 games per hour max)
C (pubs)	1	78	316	2.5 (1440 games per hour max)
D <sup>76</sup>	10p	70	43	2.5 (1440 games per hour max)

- 4.5 The RGSB states in the light of these findings that “The EATC/h for B2 machines is higher than that for B3 machines, which is what might be expected in light of the availability of B3 machines in premises other than LBOs. But the size of the difference (£486 compared with £302) looks a little disproportionate, unless it is believed that the degree of supervision of players in LBOs is that much significantly better than in bingo halls or adult gaming centres.”<sup>13</sup>
- 4.6 The concept of a ‘regulatory pyramid’ has long been held in gambling policy. This means that harder forms of gambling were confined to locations with tighter controls. We contend that the degree of supervision of players in LBOs is significantly better than in bingo halls and adult gaming centres and the disparity in EATC/h is wholly justified. In particular, we would highlight both the current gaming machine provisions by premises and the range of measures pertaining to LBOs relative to other venues, as set out in the tables below:

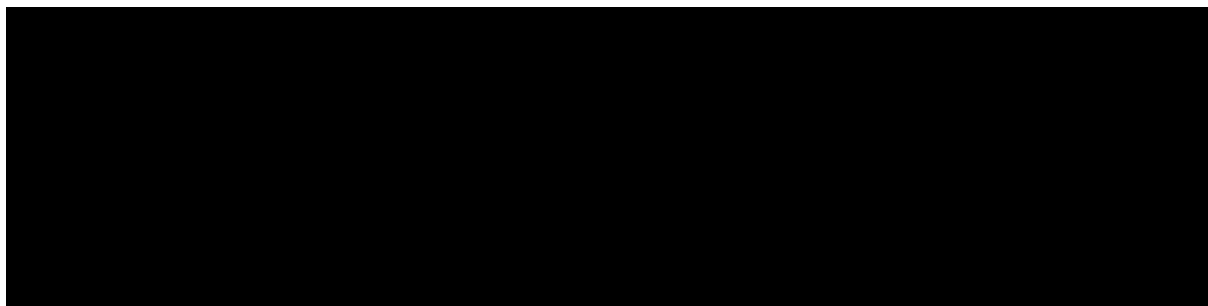
Type of permit	A	B1	B2	B3	B3	B4	C	D
Large Casino	X	Maximum 150 B - D		X	Maximum 150 B - D			
Small Casino	X	Maximum 80 B - D		X	Maximum 80 B - D			
Betting Shop Licence	X	X	Maximum 4 machines					
Bingo Premises Licence	X	X	X	X	20% max total gaming machines on site		Unlimited	
Adult Gaming Centre Licence	X	X	X	X	20% max of total gaming machines on site		Unlimited	
Family Entertainment Centre Licence	X	X	X	X	X	X	Unlimited	
Unlicensed Family Entertainment Centre Permit	X	X	X	X	X	X	X	Unlimited
Club Gaming Permit	X	X	X	X	X	Maximum of 3 machines		
Licensed Premises Gaming Machine notification	X	X	X	X	X	X	Upto 2	

<sup>13</sup> <http://www.rgsb.org.uk/PDF/Advice-in-relation-to-the-DCMS-review-of-gaming-machines-and-social-responsibility-measures.pdf>

	ABB member LBO	ABB non-member LBO	BACTA	NCF	Bingo Association
 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	✓	✗	✗	✗	✗
 Average number of staff per gaming machine	1.25	1.25	0.21	5.58	0.22

#### *The economic impact of maintaining the £100 maximum stake*

- 4.7 We set out in Appendix 5 the independent research undertaken by KPMG in 2016 into the impact of a stake reduction on B2 gaming machines. This research and economic modelling was based on detailed data from over 6,500 LBOs and on sound-evidence-based assumptions as to likely customer behaviour around the use of gaming machines in LBOs.
- 4.8 It should be noted that maintaining the current stake at £100 will nonetheless result in the closure of a significant number of betting shops by 2020 and have consequential impacts for employment levels, revenue generated for horse and greyhound racing and revenues for the Exchequer. This modelling is reinforced by the closure of 315 LBOs in the 10 months period to January 2018. It should be noted that the KPMG analysis suggests that the bulk of closures within the model would likely occur in 2018 and beyond.
- 4.9 The findings of KPMG on the likely future operating performance of the LBO sector if there is no change in stakes is set out below. The KPMG research, which covered a sample of 73% of British LBOs has been extrapolated to cover the entire estate.



- 4.10 The table above shows that with no regulatory or tax changes the LBO sector is in a position of on-going decline. As will be demonstrated in subsequent sections, a reduction in stake on B2 machines will further hasten that decline, for little or no benefit to problem gamblers or the harm caused to them. The cumulative increase in tax revenues is due to a change in customer product preference, with different products taxed at different rates.

**5. Analysis of the impact of Option 1 - a reduction in maximum stake to £50 on all B2 content:**

- 5.1 We acknowledge that the Government is committed to cutting the maximum stake on B2 machines. As set out above, we do not believe there is hard evidence of harm associated with the current maximum stake and therefore do not believe this commitment is justified.
- 5.2 However, both in light of the Government's ambition and also the economic consequences of such a move, the only level that could be considered of the options available, is £50.
- 5.3 The Consultation makes a number of points in relation to the maximum stake being reduced to £50 on all B2 content. We address each of these in turn.
- 5.4 The Consultation states: "There is minimal play above £50 with approximately 99% of sessions ending with an average stake of up to £50". We are unclear as to the relevance of this statement. In order to achieve an average stake, a session may comprise staking at a single level or, more likely, comprise a range of staking both above and below the average stake that is achieved. Whilst 99% of sessions may have an average stake of up to £50, some 15% of all B2 stakes and 3.2% of all B2 plays are at stake levels above £50 (previously 43% and 10% prior to the £50 regulations). To suggest that the impact of a maximum stake of £50 on all B2 content would be minimal is incorrect and it should be borne in mind that over 60,000 sessions per week include at least one play above the £50 level.

- 5.5 Using the RGSB analysis of Expected Average Theoretical Cost per hour (EATC/h) of different categories of machine<sup>14</sup>, we set out below the expected average theoretical cost per hour of a reduction in maximum stake to £50 on all B2 content:

Category & type/location	Max stake (£)	RTP (percent)	EATC/h (£)	Time required to complete each game (seconds)
B1	5	92.5	540	2.5 (1440 games per hour max)
B2 (roulette)	50	97.3	243	20 (180 games per hour max)
B3	2	89.5	302	2.5 (1440 games per hour max)
B4	1	80	288	2.5 (1440 games per hour max)
C (AGCs)	1	88	173	2.5 (1440 games per hour max)
C (pubs)	1	78	316	2.5 (1440 games per hour max)
D	10p	70	43	2.5 (1440 games per hour max)

- 5.6 The anomaly should a £50 maximum stake on B2 gaming machines be implemented is made apparent in the table above. All other category B machines would have a higher EATC/h than B2 gaming machines, as would Category C machines in pubs, which have little supervision and alcohol available. As highlighted in paragraph 4.6 this would be a very significant anomaly given the higher standard of responsible gambling measures available in LBOs.
- 5.7 A consequence of the lower EATC/h on B2 machines may be material. As the RGSB points out in its advice “Changes in RTP rates, which are not controlled by regulation, can make a significant impact on EATC/h. From the point of view of return to the operator, regulatory changes to stake size and speed of play can be compensated by changes to RTP offered on games or by marketing content on games with lower RTP.”<sup>15</sup>
- 5.8 We suggest that it would be a perverse outcome of a stake cut if it was to result in the introduction of a lower RTP on B2 machines or to the marketing of content with lower RTPs. Such an outcome would be to the detriment of all gamblers, whether problem gamblers or

<sup>14</sup> <http://www.rgsb.org.uk/PDF/Advice-in-relation-to-the-DCMS-review-of-gaming-machines-and-social-responsibility-measures.pdf>

<sup>15</sup> <http://www.rgsb.org.uk/PDF/Advice-in-relation-to-the-DCMS-review-of-gaming-machines-and-social-responsibility-measures.pdf>

not. It would certainly not be in line with the Government's stated objective of striking the right balance between socially responsible growth and the protection of consumers and the communities they live in. It would likely result in players being displaced to less regulated environments without the player protection measures available in LBOs and potentially also with alcohol available for consumption.

- 5.9 The Consultation also notes the following point in relation to the maximum stake being reduced to £50 on all B2 content; "At or above £50, 46% of players were identified as problem gamblers and 41% were at risk of harm. 13% were categorised as neither problem nor moderate/low risk gamblers." The footnote to the document suggests that this statistic originates from the RGSB advice. Although the statistic is referenced by RGSB, it originates from the NatCen research into loyalty card holders which specifically included the caveat that the data could not be extrapolated to be representative of the whole customer base. As set out in paragraphs 2.22-2.26 of this document, we contend that using the NatCen research of loyalty card holders to make broad statements about all gamblers in LBO is misleading and a fundamental misuse of data. This flaw is further compounded by the failure to reference the caution that is advised in the use of the numbers in paragraph 9 of the annex to the RGSB Advice "Caution advised because of the very small base values."<sup>16</sup>
- 5.10 The Consultation also notes that "of the sessions on B2 (non-slots) which ended with losses to the player greater than £500, approximately 73% of these sessions involved an average stake of £50 or less." We do not understand the relevance of this point. As stated earlier an average stake of £50 will most likely comprise some stakes below the £50 level and some above. It should not be concluded that with a maximum stake of £50, some 73% of losses over £500 would continue to occur. No research has been undertaken into likely player losses at different staking levels. It seems entirely feasible that average stakes may decrease following the introduction of a £50 maximum stake, however the Gaming Machine (Circumstances of Use) (Amendment) Regulations 2015 evaluation<sup>17</sup> suggests that players would probably change their patterns of play, possibly by playing for longer or increasing the risk associated with their play. Indeed, the lower the stake on roulette, the riskier the resulting play due to the restricted ability to spread risk across the board (see paras 9.11 – 9.25). There is no data or insight available as to whether a reduction in maximum stake to £50 would result in a reduction in the number of losses over £500.

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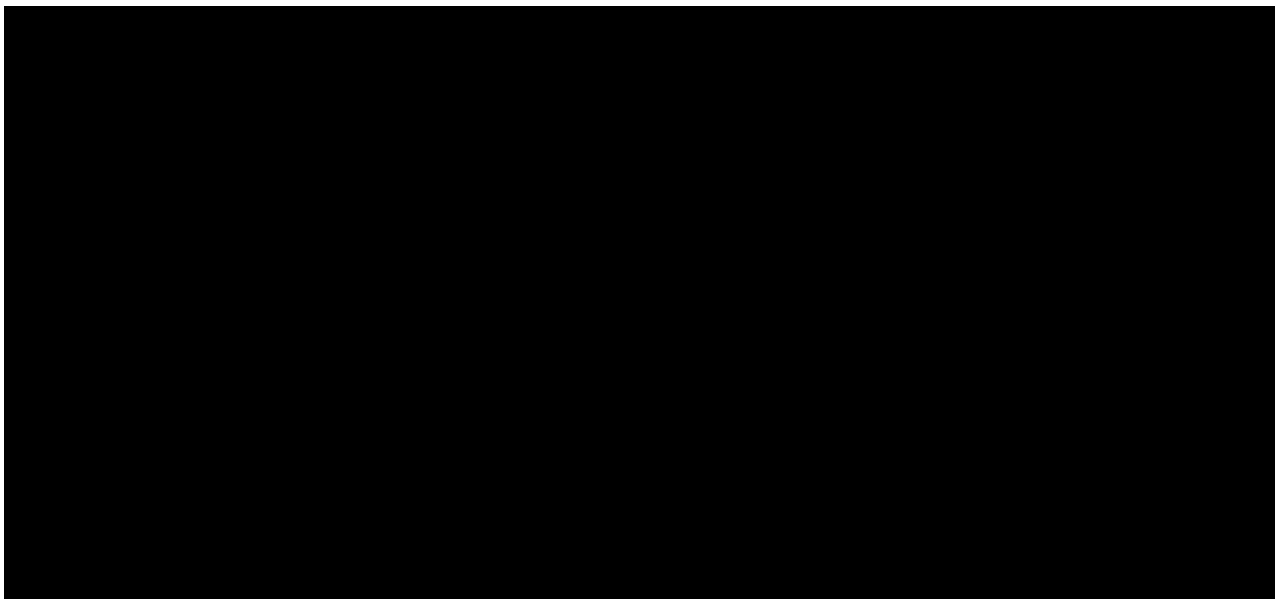
<sup>16</sup> <http://www.rgsb.org.uk/PDF/Advice-in-relation-to-the-DCMS-review-of-gaming-machines-and-social-responsibility-measures.pdf>

<sup>17</sup>

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/493714/Evaluation\\_of\\_Gaming\\_Machine\\_\\_Circumstances\\_of\\_Use\\_\\_Amendment\\_\\_Regulations\\_2015.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/493714/Evaluation_of_Gaming_Machine__Circumstances_of_Use__Amendment__Regulations_2015.pdf)

*Economic impact of reducing the maximum stake on all B2 content to £50*

KPMG provided modelling of the economic impact of a reduction in the maximum stake on all B2 content to £50 and we provide the results of this modelling below:



5.12 While these figures differ slightly from the Government's impact assessment of a £50 maximum stake published in conjunction with the Consultation, this can broadly be accounted for by the Government assumption that there is zero economic impact from maintaining the maximum stake at £100. The KPMG model assumes a decline in betting shop numbers, employment and Levy payments, combined with an increase in media payments if the maximum stake on B2 machines remains at £100. As set out in 4.8, the reasoning for this is reinforced by the closure in the 10 months to date of 315 LBOs<sup>18</sup>. Once this is taken into account, we believe the figures above are within the parameters set in the Government's own impact assessment.

<sup>18</sup> Betting Shops UK, April 2017, page 29, *The Mintel Group Ltd, April 2017*, available at: <http://academic.mintel.com/display/792723/>

**6. Analysis of the impact of Option 2 - a reduction in maximum stake to £30 on all B2 content**

6.1 We contend that a reduction in maximum stake to £30 on all B2 content cannot be justified by statistical evidence nor the precautionary principle. Should the Government consider cutting the maximum stake to £30, we believe it imperative that a customer journey, for registered players only, should be offered to allow staking between £30 and £50 for such players.

6.2 The Consultation makes a number of points in relation to the maximum stake being reduced to £30 on all B2 content. We address each of these in turn.

6.3 The Consultation states, "Approximately 90% of sessions end with an average stake up to £30." As with the £50 stake reduction, we are unclear as to the relevance of this statement, for the reasons we set out in paragraph 5.4. Whilst 90% of sessions may have an average stake of up to £30, some 61.7% of B2 stakes and 23.1% of B2 plays are at stake levels above £30. We believe these more insightful figures suggest the significant impact of a reduction in maximum stake on B2 machines to £30 and it should be noted that approximately 550,000 sessions per week include at least one play above the £30 level.

6.4 Using the RGSB analysis of Expected Average Theoretical Cost per hour (EATC/h) of different categories of machine<sup>19</sup>, we set out below the expected average theoretical cost per hour of a reduction in maximum stake to £30 on all B2 content:

Category & type/location	Max stake (£)	RTP (percent)	EATC/h (£)	Time required to complete each game (seconds)
B1	5	92.5	540	2.5 (1440 games per hour max)
B2 (roulette)	30	97.3	145	20 (180 games per hour max)
B3	2	89.5	302	2.5 (1440 games per hour max)
B4	1	80	288	2.5 (1440 games per hour max)
C (AGCs)	1	88	173	2.5 (1440 games per hour max)
C (pubs)	1	78	316	2.5 (1440 games per hour max)
D	10p	70	43	2.5 (1440 games per hour max)

<sup>19</sup> <http://www.rgsb.org.uk/PDF/Advice-in-relation-to-the-DCMS-review-of-gaming-machines-and-social-responsibility-measures.pdf>

- 6.5 The anomaly of a £30 maximum stake of B2 gaming machines is made apparent in the table above and would create a £157 differential between the EATC/h for B3 category machines and B2 category machines. All other category B machines would have a higher EATC/h than B2 gaming machines, as would all Category C machines. As highlighted in paragraph 4.6 this would be a very significant anomaly given the higher standard of responsible gambling measures available in LBOs.
- 6.6 We would highlight the comments of the RGSB advice in relation to EATC/h. Referring to the £100 maximum stake they state that “The EATC/h for B2 machines is higher than that for B3 machines, which is what might be expected in the light of the availability of B3 machines in premises other than LBOs. But the size of the difference (£486 compared with £302) looks a little disproportionate...”.<sup>20</sup> We strongly contend that to move from a position of a £184 difference in EATC/h in favour of LBO B2 machines to a position of £157 difference in EATC/h in favour of B3 machines is massively disproportionate and wholly fails to take account of the higher standard of responsible gambling measures in place in LBOs. Indeed, it would not be in line with the Government’s stated objective of striking the right balance between socially responsible growth and the protection of consumers and the communities they live in. It would likely result in players being displaced to less regulated environments without the player protection measures available in LBOs and potentially also with alcohol available for consumption.
- 6.7 Further to this we refer to the points made in paragraphs 5.7 and 5.8 above.
- 6.8 We contend that should Government consider a cut in maximum stake to £30, a journey should be permitted that allows registered players to stake between £30 and £50.
- 6.9 Such a journey would differ from the journey implemented following the Gaming Machine (Circumstances of Use) (Amendment ) Regulations in that only registered players would be allowed to stake above £30 and it would not be possible to request over £30 staking at the counter. Staking above £30 would therefore only be possible with player tracking enabled.
- 6.10 We contend that such a journey at the £30 maximum staking level could provide the most effective mechanism to secure the Government’s aim in the consultation to secure increased levels of player tracking.
- 6.11 In line with the RGSB view, we do not believe that player behaviours following the introduction of a £30-£50 journey would necessarily replicate those seen following the introduction of the £50- £100 journey. The RGSB states that “The effects of any further changes taking the maximum stake below £50 would not necessarily replicate those following the 2015 regulations. A lower limit would affect a greater number and different mix of players, and they might respond differently.”<sup>21</sup>

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<sup>20</sup> <http://www.rgsb.org.uk/PDF/Advice-in-relation-to-the-DCMS-review-of-gaming-machines-and-social-responsibility-measures.pdf>

<sup>21</sup> <http://www.rgsb.org.uk/PDF/Advice-in-relation-to-the-DCMS-review-of-gaming-machines-and-social-responsibility-measures.pdf>

- 6.12 The Consultation also notes the following point in relation to the maximum stake being reduced to £30 on all B2 content; “At or above £30, 42% of players were identified as problem gamblers and 42% were at risk of harm. 16% were categorised as neither problem nor moderate/low risk gamblers.” We refer to the comments made in paragraph 5.9 above in relation to the use of these figures and the inaccurate impression created by their non-caveated use.
- 6.13 The Consultation also notes that “Of the sessions on B2 (non-slots) which ended with losses to the player greater than £500, approximately 17% of these sessions involved an average stake of up to £30.” We do not understand the relevance of this point. No research has been undertaken into likely player losses at different staking levels. It seems entirely feasible to us that average stakes may decrease following the introduction of a £30 maximum stake, however it is probable that players would change their patterns of play, possibly by playing for longer or increasing the risk associated with their play. Indeed, the lower the stake on roulette, the riskier the resulting play due to the restricted ability to spread risk across the board. There is no data or insight into whether a reduction in maximum stake to £30 would result in a reduction in the number of losses over £500 or a reduction in harm.

*Economic impact of reducing the maximum stake on all B2 content to £30*

KPMG provided modelling of the economic impact of a reduction in the maximum stake on all B2 content to £30 and we provide the results of this modelling below:



- 6.15 While these figures differ slightly from the Government’s impact assessment of a £30 maximum stake published in conjunction with the Consultation, this can broadly be accounted for by the Government assumption that there is zero economic impact from maintaining the maximum stake at £100. The KPMG model assumes a decline in betting shop numbers, employment and levy payments, combined with an increase in media payments if the maximum stake on B2 machines remains at £100. As set out in 4.8, the

reasoning for this is reinforced by the closure in the 10 months to date of 315 LBOs. Once this is taken into account, we believe the figures above are within the parameters set in the Government's own impact assessment.

**7. Analysis of the impact of Option 3 - a reduction in maximum stake to £20 and £2 on B2 slots**

- 7.1 We contend that a £20 maximum stake is not justified by the available evidence or on the basis of the precautionary principle.
- 7.2 We further contend that the disparity in EATC/h between B2 machines and all other categories of machines would be disproportionate and result in those machines that have the lowest levels of player protection and are occasionally sited in venues where alcohol is served having the highest expected average cost per hour in the sector. This would be a perverse outcome that could have a significant impact on the development of player protection measures across the sector.
- 7.3 The Consultation makes a number of points in relation to the maximum stake being reduced to £20 on all B2 content. We address each of these in turn.
- 7.4 The consultation states, "Approximately 82% of sessions end with an average stake up to £20. In addition we know that the average stake is also around £20"<sup>22</sup>. As with the other proposed stake reductions, we are unclear as to the relevance of this statement, for the reasons we set out in paragraph 5.4. Whilst 82% of sessions may have an average stake of up to £20, some 73.6% of B2 stakes and 32.1% of B2 plays are at stake levels above £20. We believe these more insightful figures suggest the significant impact of a reduction in maximum stake on B2 machines to £20 and it should be noted that approximately 800,000 sessions per week include at least one play above the £20 level.

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<sup>22</sup> DCMS consultation on proposals to changes on gaming machines and social responsibility measures, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/655969/Consultation\\_on\\_proposals\\_for\\_changes\\_to\\_Gaming\\_Machines\\_and\\_Social\\_Responsibility\\_Measures.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/655969/Consultation_on_proposals_for_changes_to_Gaming_Machines_and_Social_Responsibility_Measures.pdf)

- 7.5 Using the RGSB analysis of Expected Average Theoretical Cost per hour (EATC/h) of different categories of machine<sup>23</sup>, we set out below the expected average theoretical cost per hour of a reduction in maximum stake to £20 on all B2 content:

Category & type/location	Max stake (£)	RTP (percent)	EATC/h (£)	Time required to complete each game (seconds)
B1	5	92.5	540	2.5 (1440 games per hour max)
B2 (roulette)	20	97.3	97	20 (180 games per hour max)
B3	2	89.5	302	2.5 (1440 games per hour max)
B4	1	80	288	2.5 (1440 games per hour max)
C (AGCs)	1	88	173	2.5 (1440 games per hour max)
C (pubs)	1	78	316	2.5 (1440 games per hour max)
D	10p	70	43	2.5 (1440 games per hour max)

- 7.6 The anomaly of a £20 maximum stake of B2 gaming machines is made apparent in the table above and would create a £205 differential between the EATC/h for B3 category machines and B2 category machines. All other category B machines would have a higher EATC/h than B2 gaming machines, as would all Category C machines. The difference in EATC/h between a Category B2 machine and a Category D machine that can be played by children, would be just £45. As highlighted in paragraph 4.6 this would be a very significant anomaly given the higher standard of responsible gambling measures available in LBOs and the purely adult nature of gambling in betting shops. It would not be in line with the Government's stated objective of striking the right balance between socially responsible growth and the protection of consumers and the communities they live in. It would likely result in players being displaced to less regulated environments without the player protection measures available in LBOs and potentially also with alcohol available for consumption.
- 7.7 We would highlight the comments of the RGSB Advice in relation to EATC/h. Referring to the £100 maximum stake they state that "The EATC/h for B2 machines is higher than that for B3 machines, which is what might be expected in the light of the availability of B3 machines in premises other than LBOs. But the size of the difference (£486 compared with

<sup>23</sup> Advice in relation to the DCMS review of gaming machines and social responsibility measures, Responsible Gambling Strategy Board, 31 January 2017, paragraph 95, <http://www.rgsb.org.uk/PDF/Advice-in-relation-to-the-DCMS-review-of-gaming-machines-and-social-responsibility-measures.pdf>

£302) looks a little disproportionate...”<sup>24</sup>. We strongly contend that to move from a position of a £184 difference in EATC/h in favour of LBO B2 machines to a position of £205 difference in EATC/h in favour of B3 machines is massively disproportionate and wholly fails to take account of the higher standard of responsible gambling measures in place in LBOs.

- 7.8 Further to this we refer to the points made in paragraphs 5.7 and 5.8 above.
- 7.9 The Consultation also notes the following point in relation to the maximum stake being reduced to £20 on all B2 content; “At or above £20, 42% of players were identified as problem gamblers and 44% were at risk of harm. 13% were categorised as neither problem nor moderate/low risk gamblers.”<sup>25</sup> We refer to the comments made in paragraph 5.9 above in relation to the use of these figures and the inaccurate impression created by their non-caveated use.
- 7.10 Also with reference to this point, we would highlight the very limited difference in the, albeit flawed, figures relative to a £30 maximum stake (42% problem gamblers, 42% at risk of harm and 16% neither problem gamblers nor at risk). We would contend that the marginal benefits of a £20 maximum stake over a £30 maximum stake are unclear and unproven.
- 7.11 The Consultation also notes that “Of the sessions on B2 (non-slots) which ended with losses to the player greater than £500, approximately 6% of these sessions involved an average stake of up to £20.”<sup>26</sup> We do not understand the relevance of this point. No research has been undertaken into likely player losses at different staking levels. It seems entirely feasible to us that average stakes may decrease following the introduction of a £20 maximum stake, however the Gaming Machine (Circumstances of Use) (Amendment) Regulations 2015 evaluation<sup>27</sup> suggests that players would probably change their patterns of play, possibly by playing for longer or increasing the risk associated with their play. Indeed, the lower the stake on roulette, the riskier the resulting play due to the restricted ability to spread risk across the board. There is no data or insight into whether a reduction in maximum stake to £20 would result in a reduction in the number of losses over £500, particularly as we suspect a significant shift would occur to B3 play, possibly in AGCs with far lower standards of player protection.

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<sup>24</sup> Advice in relation to the DCMS review of gaming machines and social responsibility measures, Responsible Gambling Strategy Board, 31 January 2017, paragraph 97.i (page 26), <http://www.rgsb.org.uk/PDF/Advice-in-relation-to-the-DCMS-review-of-gaming-machines-and-social-responsibility-measures.pdf>

<sup>25</sup> DCMS consultation on proposals to changes on gaming machines and social responsibility measures, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/655969/Consultation\\_on\\_proposals\\_for\\_changes\\_to\\_Gaming\\_Machines\\_and\\_Social\\_Responsibility\\_Measures.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/655969/Consultation_on_proposals_for_changes_to_Gaming_Machines_and_Social_Responsibility_Measures.pdf)

<sup>26</sup> DCMS consultation on proposals to changes on gaming machines and social responsibility measures, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/655969/Consultation\\_on\\_proposals\\_for\\_changes\\_to\\_Gaming\\_Machines\\_and\\_Social\\_Responsibility\\_Measures.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/655969/Consultation_on_proposals_for_changes_to_Gaming_Machines_and_Social_Responsibility_Measures.pdf)

<sup>27</sup> Evaluation of Gaming Machine (Circumstances of Use) (Amendment) Regulations 2015, DCMS, January 2016, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/493714/Evaluation\\_of\\_Gaming\\_Machine\\_Circumstances\\_of\\_Use\\_Amendment\\_Regulations\\_2015.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/493714/Evaluation_of_Gaming_Machine_Circumstances_of_Use_Amendment_Regulations_2015.pdf)

*Economic impact of reducing the maximum stake on all B2 content to £20*

KPMG provided modelling of the economic impact of a reduction in the maximum stake on all B2 content to £20 and we provide the results of this modelling below:



- 7.13 While these figures differ slightly from the Government's impact assessment of a £20 maximum stake published in conjunction with the Consultation, this can broadly be accounted for by the Government assumption that there is zero economic impact from maintaining the maximum stake at £100. The KPMG model assumes a decline in betting shop numbers, employment and levy payments, combined with an increase in media payments if the maximum stake on B2 machines remains at £100. As set out in 4.8, the reasoning for this is reinforced by the closure in the 10 months to date of 315 LBOs. Once this is taken into account, we believe the figures above are within the parameters set in the Government's own impact assessment.

**B2 slots:**

- 7.14 We note the inclusion of a reduction in B2 slots to £2 in the Impact Assessment associated with a £20 maximum stake suggested in the Consultation. In the Summary: Analysis and Evidence relating to Option 5 (Reducing maximum stake on B2 gaming machines to £20 (non-slots) the impact of reducing B2 slots to £2 is included in the calculation. While we fail to understand why it is only at the £20 maximum stake level that a reduction in B2 slots to a lower level is considered, we take the inclusion of this option at the £20 staking level to suggest that a reduced stake on B2 slots is a consideration.
- 7.15 We note the proposal in the Consultation that suggests "Prohibiting mixed play between B2 and B3 (only applies in practice to gaming machines in betting shops). Industry data obtained by the Gambling Commission as part of the call for evidence highlighted that session losses were high on sessions that contained mixed play. We think this measure will improve player

control by making it more apparent to players when they are transitioning between different content on a single terminal...”.

- 7.16 We also address the point made in the Consultation stating that: “... with regard to B2 slots, industry data provided to the Gambling Commission during the call for evidence highlighted that there were a higher proportion of sessions with higher losses playing B2 slots than playing B2 roulette (see figure 1). Taking sessions losses as a proxy for potential harm, we think there are grounds for a greater reduction of the maximum stake for this type of game.”
- 7.17 We contend that there is significant clarity provided to players when they transition from B3 to B2 slots content. Currently any player undertaking such a transition receives the following message: “YOU ARE ABOUT TO ENTER A CATEGORY B2 GAME”.
- 7.18 Despite this, we will be happy to consult with the Gambling Commission and RGSB in order to identify if there are any stronger mechanisms for alerting players if they transition between B3 and B2 slots content.
- 7.19 With regard to the suggestion that “...there are grounds for a greater reduction of the maximum stake for this type of game (B2 slots)” notwithstanding our contention that there is no evidence for a reduction in B2 maximum stakes overall, we accept that some reduction in B2 slots maximum stake below the level of non-slots maximum stake may have merit, based on the higher session losses associated with B2 slots.
- 7.20 However, we contend that a reduction of B2 slots to a stake level of £2 represents a de-facto abolition of B2 slots, as providers will offer only B3 slots that have the same maximum staking level, 8 times faster spin speed and lower RTP. We do not believe such a move would help achieve the Government’s objective of enhanced consumer protection, as it will force slot players in LBOs to use a product that is faster, and has a lower RTP.
- 7.21 We suggest that B2 slots, with a 20 second spin speed and an average RTP 4 per cent higher than B3 slots, should have a stake that is set at 50% of the level of the maximum stake for non-registered, non-slots content on B2 machines (currently this would equate to a £25 maximum stake for B2 slots). We believe that, combined with other player protection measures we are proposing on machines, which will in and of themselves limit losses, this would be a proportionate response and ensure that slower, higher RTP B2 slots content remained available for customers.

## **8. Analysis of the impact of Option 4 - a reduction in maximum stake to £2 on all B2 content**

- 8.1 The reduction of the maximum stake on B2 content to £2 is a de-facto abolition of B2 machine gambling, a view echoed by the RGSB in its Advice<sup>28</sup>. Operators will only offer B3 content that has a spin speed 8 times faster than B2 content (2.5 seconds on B3 versus 20 seconds on B2), a lower RTP (89.5 on B3 versus 97.3% on B2), and a lower rate of Machines Games Duty (MGD) payable (20% on B3 versus 25% on combined B2/B3 content machines).
- 8.2 This de-facto abolition will inevitably lead to significant displacement of current B2 gamblers to other forms of gambling, such as online and in casinos, where there are few limits on maximum stake.
- 8.3 Similarly, we would expect to see a growth in illegal gambling machines and venues in order to meet the un-served demand.
- 8.4 In terms of player protection measures, it is difficult to foresee the LBO sector continuing to lead innovation in measures relating to machines and a significant pause could be expected while sectors such as AGCs and casinos catch up with the player protections already in place on betting shop machines.
- 8.5 The Consultation makes a number of points in relation to the maximum stake being reduced to £2 on all B2 content. We address each of these in turn.
- 8.6 The Consultation states, “Approximately 17% of sessions end with an average stake up to £2.”<sup>29</sup> As with the other proposed stake reductions, we are unclear as to the relevance of this statement, for the reasons we set out in paragraph 5.4. Whilst 17% of sessions may have an average stake of up to £2, some 99% of B2 stakes and 85.2% of B2 plays are at stake levels above £2. We believe these more insightful figures suggest the massive impact of a reduction in maximum stake on B2 machines to £2 and it should be noted that approximately 2.2 million sessions per week include at least one play above the £2 level. We contend that these numbers clearly demonstrate the disruptive effect of a £2 maximum stake and the de-facto abolition of B2 machines that would be a consequence of such a stake cut – a view echoed by the RGSB in its advice.
- 8.7 Using the RGSB analysis<sup>30</sup> of Expected Average Theoretical Cost per hour (EATC/h) of different categories of machine, we set out below the expected average theoretical cost per hour of a reduction in maximum stake to £2 on all B2 content:

<sup>28</sup> Advice in relation to the DCMS review of gaming machines and social responsibility measures, Responsible Gambling Strategy Board, 31 January 2017, paragraph 150,iii, page 38, <http://www.rgsb.org.uk/PDF/Advice-in-relation-to-the-DCMS-review-of-gaming-machines-and-social-responsibility-measures.pdf>

<sup>29</sup> DCMS consultation on proposals to changes on gaming machines and social responsibility measures, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/655969/Consultation\\_on\\_proposals\\_for\\_changes\\_to\\_Gaming\\_Machines\\_and\\_Social\\_Responsibility\\_Measures.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/655969/Consultation_on_proposals_for_changes_to_Gaming_Machines_and_Social_Responsibility_Measures.pdf)

<sup>30</sup> Advice in relation to the DCMS review of gaming machines and social responsibility measures, Responsible Gambling Strategy Board, 31 January 2017, paragraph 95 and using ABB modelling, <http://www.rgsb.org.uk/PDF/Advice-in-relation-to-the-DCMS-review-of-gaming-machines-and-social-responsibility-measures.pdf>

Category & type/location	Max stake (£)	RTP (percent)	EATC/h (£)	Time required to complete each game (seconds)
B1	5	92.5	540	2.5 (1440 games per hour max)
B2 (roulette)	2	97.3	9.72	20 (180 games per hour max)
B3	2	89.5	302	2.5 (1440 games per hour max)
B4	1	80	288	2.5 (1440 games per hour max)
C (AGCs)	1	88	173	2.5 (1440 games per hour max)
C (pubs)	1	78	316	2.5 (1440 games per hour max)
D	10p	70	43	2.5 (1440 games per hour max)

8.8 The anomaly of a £2 maximum stake of B2 gaming machines is made apparent in the table above and would create a £292.28 differential between the EATC/h for B3 category machines and B2 category machines. All other category B machines would have a higher EATC/h than B2 gaming machines, as would all Category C and Category D machines. The difference in EATC/h between a Category B2 machine and a Category D machine that can be played by children, would be £33.28, in favour of Category D machines. Anomalies such as those set out above clearly reinforce our view that B2 machines would cease to be offered and it would be highly likely that bookmakers may choose to withdraw from the market or reclassify shops as AGCs or Family Entertainment Centres. This would not be in line with the Government's stated objective of striking the right balance between socially responsible growth and the protection of consumers given the lack of player protection measures required in such venues.

8.9 We would highlight the comments of the RGSB advice in relation to EATC/h. Referring to the £100 maximum stake they state that "The EATC/h for B2 machines is higher than that for B3 machines, which is what might be expected in the light of the availability of B3 machines in premises other than LBOs. But the size of the difference (£486 compared with £302) looks a little disproportionate...".<sup>31</sup> We strongly contend that at a £2 maximum stake on B2 machines any sense of proportionality between venues, responsible gambling measures and potential losses would have been removed.

<sup>31</sup> Advice in relation to the DCMS review of gaming machines and social responsibility measures, Responsible Gambling Strategy Board, 31 January 2017, paragraph 97.i, page 26, <http://www.rgsb.org.uk/PDF/Advice-in-relation-to-the-DCMS-review-of-gaming-machines-and-social-responsibility-measures.pdf>

- 8.10 Further to this we refer to the points made in paragraphs 5.7 and 5.8 above.
- 8.11 The Consultation also notes the following point in relation to the maximum stake being reduced to £2 on all B2 content; “At £2 or below, 19% of players were identified as problem gamblers and 49% were at risk of harm. 13% were categorised as neither problem nor moderate/low risk gamblers.”<sup>32</sup> We refer to the comments made in paragraph 5.9 above in relation to the use of these figures and the inaccurate impression created by their non-caveated use.
- 8.12 Also with reference to this point, we would suggest that no conclusion can be drawn from these figures, as B2 gaming machines would effectively cease to exist and players would be displaced to other categories of machine and other classes of venue. Likely future levels of problem and at-risk gambling as a result of a cut in maximum stakes on B2 machines to £2 are therefore wholly unquantifiable.
- 8.13 The Consultation also notes that “Of the sessions on B2 (non-slots) which ended with losses to the player greater than £500, approximately 0.001% of these sessions involved an average stake of £2 or less.” Given the rarity of sessions with average stakes of £2 or less we do not believe that this is a meaningful statistic. However, given the de-facto abolition of B2 gaming at the £2 stake level, it may serve to confirm the truism that if B2 gaming machines are abolished there will be no problem or at risk gambling associated with B2 gaming machines. This does not, however provide an insight into the levels of problem gambling that will arise on other categories of machine and venue as a result of this staking proposal.
- 8.14 To reinforce and validate our response to a potential £2 maximum stake on B2 machines, we would highlight the RGSB Advice on this staking level. “A reduction to as low as £2, as some have argued, would effectively abolish B2 gaming machines altogether. There would be little point in anyone playing on a B2 machine when the same stakes would be available on B3 machines with a faster rate of play and the same prize level. It is not for us to consider the economic damage a reduction to £2 might do to the bookmaking and related industries. But we would find it difficult to regard so strong an action as being proportionate on the basis of existing evidence. The 95 per cent of the players who currently place stakes at higher levels might feel that their enjoyment had been significantly affected, particularly since playing roulette with a stake as low as £2 makes it difficult to spread the bet in any meaningful way. The way in which players (and operators) would react would be very difficult to forecast and could create a variety of unintended and potentially harmful consequences.”<sup>33</sup>

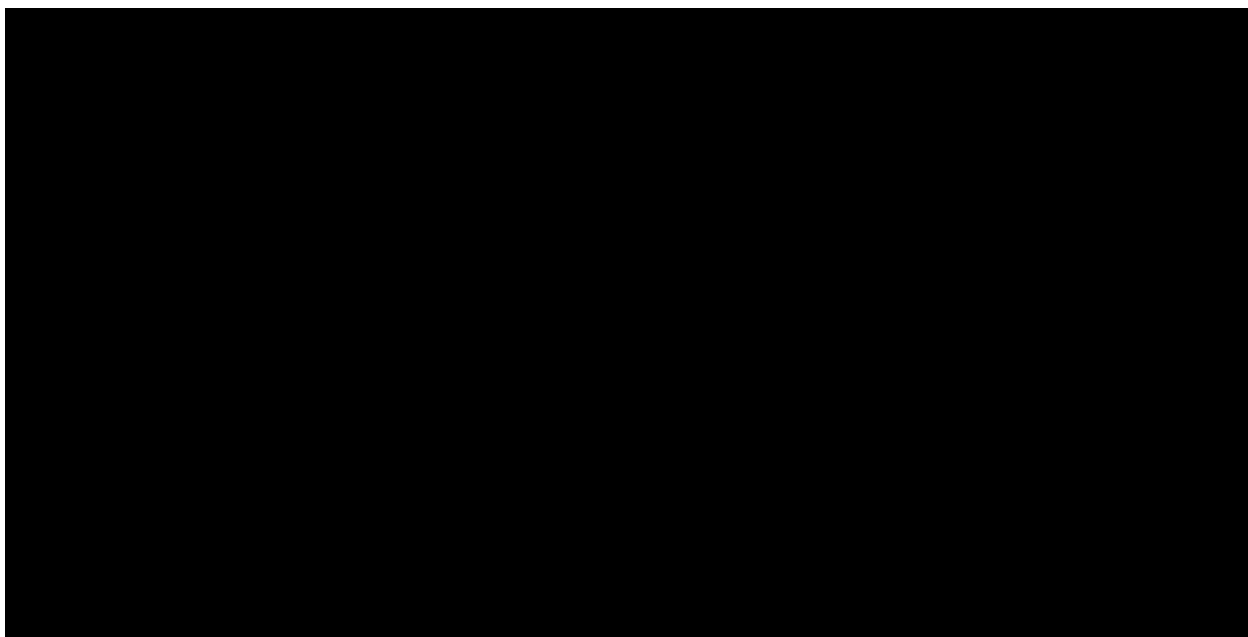
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<sup>32</sup> DCMS consultation on proposals to changes on gaming machines and social responsibility measures, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/655969/Consultation\\_on\\_proposals\\_for\\_changes\\_to\\_Gaming\\_Machines\\_and\\_Social\\_Responsibility\\_Measures.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/655969/Consultation_on_proposals_for_changes_to_Gaming_Machines_and_Social_Responsibility_Measures.pdf)

<sup>33</sup> Advice in relation to the DCMS review of gaming machines and social responsibility measures, Responsible Gambling Strategy Board, 31 January 2017, paragraph 150,iii, page 38, <http://www.rgsb.org.uk/PDF/Advice-in-relation-to-the-DCMS-review-of-gaming-machines-and-social-responsibility-measures.pdf>

*Economic impact of reducing the maximum stake on all B2 content to £2*

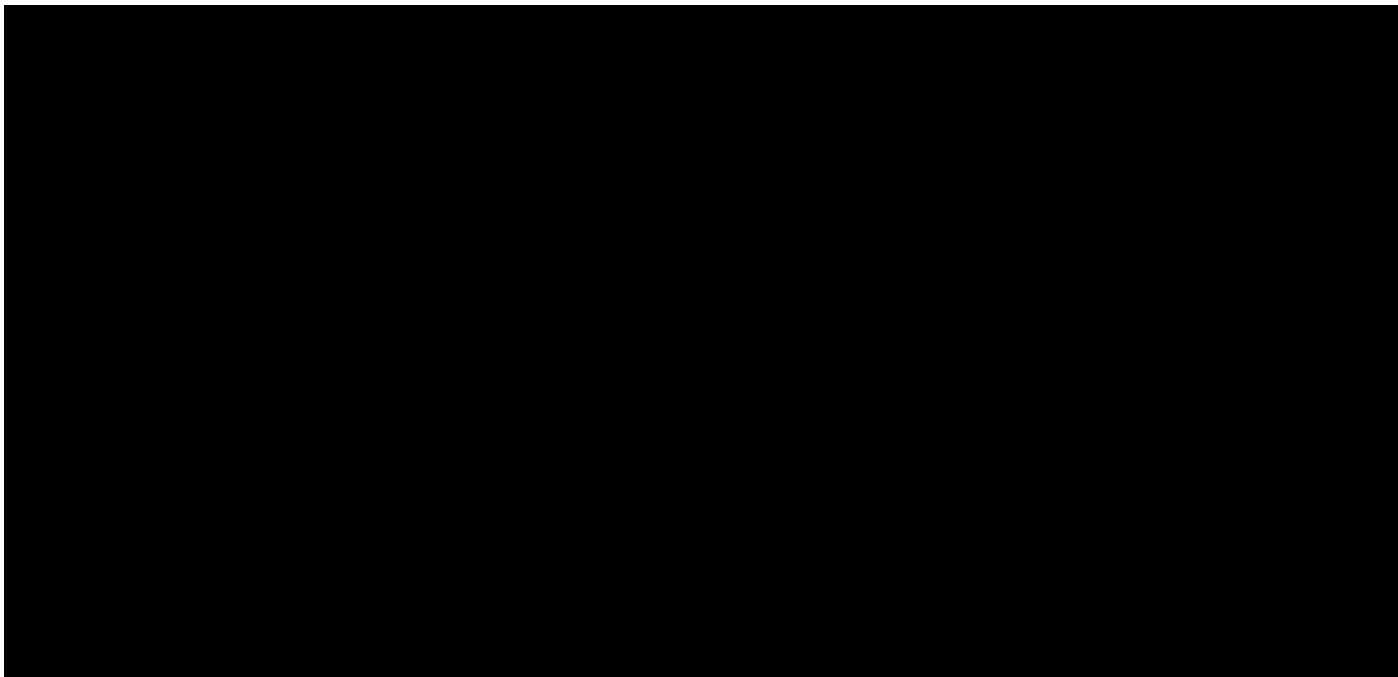
KPMG provided modelling of the economic impact of a reduction in the maximum stake on all B2 content to £2 and we provide the results of this modelling below:



8.16 While these figures differ slightly from the Government's impact assessment of a £2 maximum stake published in conjunction with the Consultation<sup>34</sup>, this can broadly be accounted for by the Government assumption that there is zero economic impact from maintaining the maximum stake at £100. The KPMG model assumes a decline in betting shop numbers, employment and levy payments, combined with an increase in media payments if the maximum stake on B2 machines remains at £100. As set out in 4.8, the reasoning for this is reinforced by the closure in the 10 months to date of 315 LBOs. Once this is taken into account, we believe the figures above are broadly in line with the parameters set in the Government's own impact assessment.

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<sup>34</sup> Impact Assessment on proposals within the DCMS consultation on proposals on gaming machines and social responsibility measures, October 2017, available:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/655970/Impact\\_Assessment\\_-\\_Consultation\\_on\\_proposals\\_for\\_changes\\_to\\_Gaming\\_Machines\\_and\\_Social\\_Responsibility\\_Measures.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/655970/Impact_Assessment_-_Consultation_on_proposals_for_changes_to_Gaming_Machines_and_Social_Responsibility_Measures.pdf)



- 8.18 It should be noted in the case of media rights, that these are expected to generate an additional £23.2 million by 2020 if the maximum stake on B2 machines is maintained at £100. If a £2 maximum stake is implemented, a £215 million reduction in media rights payments is predicted, leading to a cost to racing of over £238 million compared to the position should the current maximum stake level be maintained.

## **9. Additional considerations related to a cut in maximum stakes on B2 Gaming machines**

### *Player journeys:*

- 9.1 We contend that should Government decide on a cut in maximum stake to below £50, a journey should be permitted that allows registered players to stake between the new maximum stake and £50.
- 9.2 Such a journey would differ from the journey implemented following the Gaming Machine (Circumstances of Use) (Amendment ) Regulations in that only registered players would be allowed to stake above maximum stake and it would not be possible to request higher staking at the counter.
- 9.3 We contend that such a journey at a lower maximum staking level could provide the most effective mechanism to secure the Government's aim in the consultation to secure increased levels of player tracking.
- 9.4 In line with the RGSB view, we do not believe that player behaviours following the introduction of a journey to £50 would necessarily replicate those seen following the introduction of the £50- £100 journey. The RGSB states that "The effects of any further changes taking the maximum stake below £50 would not necessarily replicate those

following the 2015 regulations. A lower limit would affect a greater number and different mix of players, and they might respond differently.”<sup>35</sup>

#### *Spin speeds:*

- 9.5 We note the reference in the Consultation to spin speed as “another factor, alongside stake size, which can determine the amount that a player can lose in a given session. Currently the Gambling Commission’s technical standards set the spin speed at 20 seconds on a B2 machine. This could be flexed on roulette content, for example, to better reflect roulette in a casino which has a spin speed of over a minute.”<sup>36</sup>
- 9.6 The current spin speed on B2 machines is the slowest of any category of machine in any venue<sup>37</sup>.
- 9.7 We contend that to compare roulette spin speed in a casino, where maximum stakes can be in excess of many tens of thousands of pounds, and B2 roulette content with a current maximum stake of £100, is unreasonable.
- 9.8 The table below sets out the impact on EATC/h of a reduction in spin speed against each of the maximum stake options suggested in the consultation:

Maximum stake on B2 machine	EATC/h with a 20 second spin cycle (current)	EATC/h with a 30 second spin cycle	EATC/h with a 60 second spin cycle	EATC/h B3 machine – 2.5 second spin cycle
£100	£486	£324	£162	£302
£50	£243	£162	£81	£302
£30	£145.80	£97.20	£48.60	£302
£20	£97.20	£64.80	£32.40	£302
£2	£9.72	£6.48	£3.24	£302

<sup>35</sup> <http://www.rgsb.org.uk/PDF/Advice-in-relation-to-the-DCMS-review-of-gaming-machines-and-social-responsibility-measures.pdf>

<sup>36</sup> DCMS consultation on proposals to changes on gaming machines and social responsibility measures, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/655969/Consultation\\_on\\_proposals\\_for\\_changes\\_to\\_Gaming\\_Machines\\_and\\_Social\\_Responsibility\\_Measures.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/655969/Consultation_on_proposals_for_changes_to_Gaming_Machines_and_Social_Responsibility_Measures.pdf)

<sup>37</sup> Advice in relation to the DCMS review of gaming machines and social responsibility measures, Responsible Gambling Strategy Board, 31 January 2017, <http://www.rgsb.org.uk/PDF/Advice-in-relation-to-the-DCMS-review-of-gaming-machines-and-social-responsibility-measures.pdf>

- 9.9 The table demonstrates how significant disparities with the EATC/h on other categories of machines would be created with even moderate reduction in spin speed on B2 roulette. Any move to slow spin speed on a category of machine that is already 8 times slower than other categories of machine would appear disproportionate, particularly as the sole justification offered for such a move is to provide comparable spin speeds with roulette in land-based casinos, venues where there are effectively no staking limits and where alcohol is served.
- 9.10 Additionally, we would highlight that the machine gaming experience of slower spin speeds would lead to significant displacement away from B2 category machines to other categories of machine. The machine gaming environment is fundamentally different to the “live” casino environment and requiring players to pause between spin for up to or in excess of a minute, would significantly impair the gaming experience for problem and non-problem gamblers alike. We set out above the reasons why displacement to other categories of machine may not be desirable and run counter to the Government objectives associated with this consultation.

*Volatility and the de-risking of play on B2 machines:*

- 9.11 It is worth noting that over 70% of all sessions include B2 roulette and that a £500 maximum prize limit on B2 machines, by default, limits stakes on any combination of bets to odds of 4 to 1 with the total maximum stake on a single number being £13.88 at odds of 35 to 1.
- 9.12 It is also of value to consider 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 this is 20 out of the possible 37 numbers on the board. 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.
- 9.13 Short term volatility is a further important factor in influencing the outcome of a player session on a gaming machine. The volatility of a bet determines the frequency and size of any win. It is effectively a measure of the risk taken. A highly volatile game will result in big wins less frequently, while a low volatility game will result in lower wins more frequently. As referenced in the RGSB advice, “volatility is one characteristic of machine play known to be associated with greater risk of harm”.
- 9.14 For example, at the £30 to £35 stake range, 98.5% of plays cover more than 10% of the board, i.e. 4 numbers or more, 65.8% cover more than half the board, i.e. 19 numbers or more, and 13.7% cover more than 90% of the board, i.e. 34 numbers or more. It is possible therefore than a player placing a £30 stake may only be risking £1 due to the spread of bets placed.

		% 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%

- 9.15 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, the customer is unable to control the volatility of the game as there is no ability to 'spread' bets across multiple potential outcomes.
- 9.16 The volatility of one type of game versus another, e.g. at a lower or higher staking level, can be measured using the coefficient of variation (CV) as a standardised measure of the dispersion of a probability distribution. The CV is calculated by dividing the Standard Deviation of the returns by stake, and is therefore a good way of comparing volatility by game and by stake level.

- 9.17 The following table is based on actual data from over 30 million roulette plays and 20 million slots plays and illustrates how a reduction in stake results in a corresponding increase in CV, or volatility level i.e. players place riskier bets as they lower their stake.

	Stake	Hit Rate (% of plays returning a prize)	% of plays returning > stake	Co-efficient of Variation (CV)
<b>B2 Roulette</b>	<b>£50</b>	57.0%	36.5%	1.41
	<b>£30</b>	51.9%	34.8%	1.57
	<b>£20</b>	47.9%	34.7%	1.84
	<b>£2</b>	42.1%	21.7%	2.34
<b>Average B2 Slot</b>	<b>£50</b>	51.3%	20.9%	1.99
	<b>£30</b>	51.7%	19.4%	2.36
	<b>£20</b>	49.1%	19.3%	2.59
<b>Average B3 Slot</b>	<b>£2</b>	11.4%	8.4%	7.18

- 9.18 The table also shows that B3 slots at £2 has a 5 times higher volatility than roulette at £50, and three times more so than as roulette at £2.
- 9.19 When combined with the EATC/h data shown previously, the levels of harm from these two key metrics on roulette are significantly lower than on slots games.
- 9.20 The 'hit rate' of roulette is linked to the number of outcomes covered when betting. The hit rate reduces as the roulette stake reduces resulting in players winning less frequently. Again, comparing the hit rate with a B3 slot at £2 stake, B2 Roulette of £50 stake is 5 times more likely to get a return.
- 9.21 As has been detailed in this response at the various proposed maximum stake options, we believe that B2 games do not, and will not, 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% as illustrated by the comparison of EATC/h. 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.
- 9.22 Further, we believe that any reduction in maximum stake levels permitted on B2 machines would likely see substitution behaviors 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, AGCs or public houses. We do not believe that this would be a desirable outcome and believe it could significantly undermine the Government's objective of protecting consumers and communities.

- 9.23 The risk of a reduction in B2 stakes leading to a substitution of category B2 machine play for category B3 machine play is highlighted in the RGSB Advice, which states; “The potential volatility of returns may also be a risk factor to take into account. ....volatility depends on a player’s betting strategy as well as on a game’s characteristics. It does not therefore necessarily manifest itself in the way expected. One analysis of over 1,000 games showed the volatility of returns on B2 roulette games in the sample to be +/-6 per cent of target RTP (when adopting a low risk strategy) or +/-36 per cent (with a high risk strategy). The comparative figures for B3 slot games were +/-35 per cent (without gambles) and +/- 73 per cent (with gambles). The implication is that returns on B3 games have the potential to be more volatile than those on B2 games, despite the much higher maximum stake on B2 games.”<sup>38</sup>
- 9.24 The potential risk of displacement to B3 is further commented upon by RGSB in its Advice “B3 gaming machines are subject to less stringent controls on their availability, but appear in practice to be causing similar average losses to B2 gaming machines, and some large losses in broadly similar proportions.”<sup>39</sup>
- 9.25 Given the government’s objective of “...the protection of consumers and the communities they live in”, we contend that any reduction in B2 stake should be made in the understanding that there may be high levels of substitution to B3 play, which may lead to greater volatility and consequent losses for the player. This would not help to achieve the Government’s stated objective.

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<sup>38</sup> Advice in relation to the DCMS review of gaming machines and social responsibility measures, Responsible Gambling Strategy Board, 31 January 2017, paragraph 99, page 26 citing NMI Gaming, Volatility in gaming machines – discussion paper for Machines Research Oversight Panel. Based on simulated games, 2013, <http://www.rgsb.org.uk/PDF/Advice-in-relation-to-the-DCMS-review-of-gaming-machines-and-social-responsibility-measures.pdf>

<sup>39</sup> Advice in relation to the DCMS review of gaming machines and social responsibility measures, Responsible Gambling Strategy Board, 31 January 2017, paragraph 126, page 32, <http://www.rgsb.org.uk/PDF/Advice-in-relation-to-the-DCMS-review-of-gaming-machines-and-social-responsibility-measures.pdf>

### Location of betting shops:

- 9.26 The claim is asserted in the Consultation that bookmakers target deprived areas. Reviewing data supplied directly from the two gaming machine suppliers to the LBO sector, Scientific Gaming and Inspired Gaming, a clear illustration of the LBO and correspondingly, B2 gaming machine, landscape can be seen. The results can be seen in the following table:

IMD*	Shops	Mid 2016 Population	Area Sq km	Population per Sq Km	Shops per population density
1	972	5,554,693	1,686	3,295	0.30
2	1008	5,684,550	2,107	2,698	0.37
3	1119	5,721,120	5,294	1,081	1.04
4	1127	5,660,910	14,532	390	2.89
5	893	5,550,165	24,026	231	3.87
6	689	5,540,151	25,925	214	3.22
7	544	5,460,477	22,212	246	2.21
8	382	5,435,442	16,004	340	1.12
9	344	5,398,187	11,764	459	0.75
10	191	5,262,372	6,728	782	0.24
Total	7,269	55,268,067	130,278	424	1.60

\*IMD = Indices of Multiple Deprivation with 1 = most deprived to 10 = least deprived

- 9.27 The table above demonstrates that LBOs are, like most retailers, most densely populated in areas with the highest population per square kilometer (columns A and D). When shops are indexed against population density (column E), it is clear that shop distribution is not correlated to deprivation.
- 9.28 An independent consideration of the sources cited by the Government in the Consultation by Professor Phil Hubbard of Kings College London, finds that “while there’s a correlation between localised deprivation and the presence of betting shops and gaming machines, it’s an ecological fallacy to suggest that betting shops located in these areas prey exclusively on local, poorer residents. Indeed, analysis of customers’ ‘journeys-to-gamble’ shows the majority actually travelled more than 3 km to bet, with the mean distance travelled being 25 km”. Hubbard goes on to say that “The Health Survey for England (2012) confirms the prevalence of betting is actually lowest among the most deprived and highest amongst the wealthiest. This given, while betting shops clearly rely on competitive presence, footfall and demand (like other High Street businesses) they do not appear to have any particular motivation for targeting the communities where people are likely to have the least to spend”<sup>40</sup>.

<sup>40</sup> Hubbard, P, *The Battle for the High Street: Retail Gentrification, Class and Disgust*, Chapter 7, page 157, Palgrave Macmillan, 2017

### *Impact on wider stakeholders / Horse and greyhound racing*

- 9.29 We would highlight the impact that a reduction in maximum stake, and corresponding reduction in the number of LBOs in operation, would have on the finances of horse and greyhound racing.

### *Horseracing*

- 9.30 Horseracing is the UK's second largest sport, behind only football in respect of attendances, employment and revenues generated annually. We note in particular the evidence submitted by the British Horseracing Authority (BHA) to the initial Call for Evidence in which it stated that horseracing is "an industry which, arguably more than any other, is heavily interlinked with the UK betting sector".
- 9.31 Betting shops contribute funding to horse racing through three principal means, namely payment of the Horserace Levy, media rights payments and sponsorship. In 2016, LBOs paid horseracing c£47 million in levy payments, c£265 million in media rights payments and c£7 million in sponsorship payments<sup>41</sup>.
- 9.32 The KPMG economic modelling takes into account an increased spend on over-the-counter (OTC) horseracing and other sports as a result of reduced spend on gaming machines. It also allows for some redistribution of betting on horseracing to LBOs that remain open and to online. Industry experience is that very little spend is transferred from machine customers to sports and OTC. For example, shops in Ladbrokes Coral which lost revenue from machines following the April 2015 measures did not see any uplift in OTC business (OTC stakes growth was -3% both pre and post implementation)<sup>42</sup>.
- 9.33 The most significant impact on funding for horse racing would be the reduction in payments for media rights that would result from a stake reduction and corresponding shop closures. Currently, the LBO sector pays media rights on a per-shop basis for the right to televise live horseracing, with a per-shop average cost £25,200 per annum plus VAT (£30,240). Any reduction in LBO shop numbers will equate to a direct loss of media rights to the horseracing industry in proportion to the number of shops closed.
- 9.34 The British Horseracing Authority (BHA) has forecast that prize-money in Britain will reach £160 million in 2018<sup>43</sup>. If a cut in maximum stake to £2 were implemented, Racing would lose over £120 million in media rights payments in 2020 equating to 75% of its total prize money allocated for 2018 alone and more than double the Levy yield for 2016/17.
- 9.35 According to Mintel research, "horseracing and football continue to dominate adults' experience of betting shop gambling"<sup>44</sup>. Also noted by Mintel is the decline in the number of

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<sup>41</sup> Retail betting industry modelling compiled by RS Business Modelling, 2017

<sup>42</sup> Measurement based on 12 weeks growth pre vs 12 weeks growth post implementation of the Gaming Machine (Circumstances of Use) (Amendment) Regulations 2015

<sup>43</sup> Prize-money in Britain to reach record £160m in 2018, *Racing Post*, 29 December 2017, <https://www.racingpost.com/news/prize-money-in-britain-to-reach-record-160m-in-2018/313809>

<sup>44</sup> Betting Shops UK, April 2017, page 11, *The Mintel Group Ltd, April 2017*, available at: <http://academic.mintel.com/display/792723/>

betting shops for the “fourth year in a row...as the profitability of some premises continued to be challenged by a range of cost pressures including Machine Gaming Duty (MGD) rates, media rights payments and the increases in the minimum wage, while tighter planning regulations also restricted opportunities for new openings”<sup>45</sup>.

- 9.36 Each LBO currently pays on average £5,500 in Levy payments. It is expected that any shop closures will impact negatively on the amount of Levy payments made to the horseracing.
- 9.37 We would highlight the comments made by *At The Races* in its response to the Call for Evidence in which it states that “the betting markets on horseracing are integral to the narrative of horseracing and help shape the nature of horseracing in the UK so are of interest to punters and non-punters alike. Bookmaker sponsorship funds the production of UK horserace programming for the Channel, which in turn provides revenues to British horseracing through media rights payments to the racecourses”<sup>46</sup>. In 2016, the amount contributed to horseracing through sponsorship was £7 million.

#### *Greyhound racing*

- 9.38 The retail betting sector pays a voluntary Levy to greyhound racing, set at 0.6% of betting turnover. This voluntary Levy is paid by over 92% of betting shops and supports the British Greyhound Racing Fund (BGRF) generating £7.5 million a year (year ending 31 March 2017)<sup>47</sup>. We encourage all operators to pay the voluntary Levy and in 2017 implemented a new system helping smaller operators calculate their liability in this regard.
- 9.39 In its 2016/17 Annual Report & Accounts, the Chair of the British Greyhound Racing Fund (BGRF), Joe Scanlon, commented that “The Fund’s bookmaker contributors have remained remarkably loyal throughout our nearly 25 years of existence”. Scanlon goes on to acknowledge the “many challenges” faced by betting shops “not least of which is the Government review of FOBTs. Whilst not wishing to express an opinion on what may or may not be the appropriate level of wager here, it appears to be the case that a drastic reduction in the level of maximum stakes could lead to severe consequences in the retail betting sector and so threaten the LBOs which are the core generators of our income”<sup>48</sup>.
- 9.40 Levy payments are in addition to the media rights payments paid by retail betting operators to screen the sport in shops of £27 million a year (2014/15), an increase from £21.5 million a year in 2010.
- 9.41 A further £1 million in sponsorship and prizes is paid by the sector.

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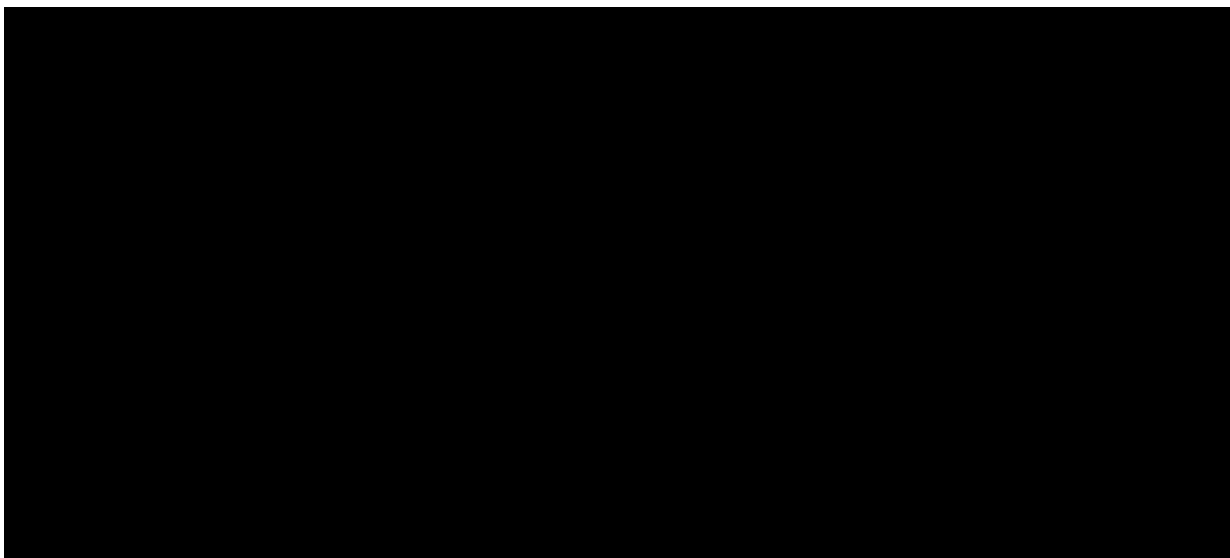
<sup>45</sup> Betting Shops UK, April 2017, page 22, *The Mintel Group Ltd, April 2017*, available at: <http://academic.mintel.com/display/792723/>

<sup>46</sup> Submission by *At The Races* to the 2016 DCMS Call for Evidence

<sup>47</sup> British Greyhound Racing Fund Annual Report & Accounts 2016/17, <http://www.bgrf.org.uk/BGRF2017.pdf>

<sup>48</sup> British Greyhound Racing Fund Annual Report & Accounts 2016/17, <http://www.bgrf.org.uk/BGRF2017.pdf>

- 9.42 The below table sets out the expected loss to horse and greyhound racing in Levies horse and greyhound) and media payments (combined) over the next three years as assessed by KPMG in their analysis of betting shop data<sup>49</sup>:



- 9.43 It should be noted in the case of media rights, that these are expected to generate an additional £23.2 million by 2020 if the maximum stake on B2 machines is maintained at £100. If a £2 maximum stake is implemented, a £215 million reduction in media rights payments is predicted, leading to a cost to racing of over £238 million compared to the position should the current maximum stake level be maintained.

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<sup>49</sup> KPMG economic analysis of potential regulatory changes 2016

**Q2. Do you agree with the government's proposals to maintain the status quo on category B1 gaming machines?**

Yes.

**Q3. Do you agree with the government's proposals to maintain the status quo on category B3 gaming machines?**

Yes

**Q4. Do you agree with the government's proposals to maintain the status quo on category B3A gaming machines?**

Yes

**Q5. Do you agree with the government's proposals to maintain the status quo on category B4 gaming machines?**

Yes

**Q6. Do you agree with the government's proposals to maintain the status quo on category C gaming machines?**

Yes

**Q7. Do you agree with the government's proposals to maintain the status quo on all category D gaming machines?**

Yes

**Q8. Do you agree with the government's proposals to increase the stake and prize for prize gaming, in line with industry proposals?**

Yes

**Q9. Do you agree with the government's proposals to maintain the status quo on allocations for casinos, arcades and pubs?**

Yes

**Q10. Do you agree with the government's proposals to bar contactless payments as a direct form of payment to gaming machines?**

- 1.1 The ABB agrees with the Government that the player protection measures in place across the industry are currently insufficient to justify permitting contactless payments as a direct form of payment to gaming machines.
- 1.2 However, the ABB contends that, should sufficient advances in player protection be made by the LBO sector (or any other sector in the gambling industry) consideration should be given to permitting them to allow contactless payments as a direct form of payment on machines.
- 1.3 The ABB also contends that depending on advances in technology, contactless payments could assist in player tracking and monitoring.
- 1.4 For the reasons set above, the ABB believes that the government should not "bar" contactless payments as a direct form of payment on gaming machines, but rather "refuse to currently permit" contactless payments.

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

**1. Overview and summary:**

- 1.1 The ABB believes that some of the measures suggested in the Consultation offer a significant opportunity to improve player protection. We particularly support the concept of “Hard Stops” in connection with player protection and set out in detail the mechanisms that we believe could result in “Hard Stops” being an effective mechanism for reducing session losses and ending sessions where extreme losses occur.
- 1.2 Subject to an appropriate B2 staking level, we believe that the following measures could be introduced within 24 months of the announcement of the outcome of the Consultation to protect consumers and the communities they live in:
  - A pan-industry system of “Hard Stops”
  - A pan-industry measure relating to Mandatory Flexible Limits on machines
  - Account-based and anonymous machine player protection algorithms across the LBO estate
  - Reduction in the maximum stake on B2 slots to 50% of the maximum non-registered play on other B2 games
  - Pan-industry or LBO-only voluntary debit card blocking
  - Broadening of the successful “BetKnowMore” pilot project to selected other areas of high economic deprivation
- 1.3 We believe that the best innovations in player protection are generated at the sector level rather than at the pan-industry level. For this reason we are cautious around the concept of “parity” with regard to player protection measures, although we do agree that minimum standards should be established for player protection on machines and that there is a need for all sectors of the industry to accept that they have a responsibility to innovate and implement measures on machines.
- 1.4 We believe there are measures beyond those recommended in the document that should be considered in order to further the player protection agenda. These include *debit card blocking*, revisions to the current system of *voluntary alerts* and consideration given to expansion of the highly successful *BetKnowMore pilot* initiated by the ABB in 2017.
- 1.5 The use of algorithms, both for registered play and anonymised play, offer significant potential to increase player protections on B2 machines and, in the case of anonymised play can be implemented by the end of 2018. We believe that it is appropriate to align the existing PAS algorithms across all operators to ensure that customers receive the same message and intervention whichever LBO they are playing in.

- 1.6 We support the Government commitment to increased player tracking but believe that careful consideration should be given to the precise mechanism that is deployed to achieve this. We believe that some of the costs associated with mandatory player tracking are not justified when set against the benefits and the disruption that will occur for players. We contend that full trialing should occur to assess the impact of player-tracking, prior to implementation.
  - 1.7 In the case of all measures proposed in relation to player-protection, we contend that appropriate evaluation is a pre-requisite and that necessarily some staging of the implementation of player protection measures will be required in order to precisely define the impact of a new measure.
  - 1.8 We suggest that consideration be given to a system of commercial rewards, whereby those sectors leading the way in player protection measures and providing evidence-based evaluation of player benefit are rewarded. Similarly, that those sectors who lag behind the delivery of meaningful player protection measures or who fail to acknowledge their potential to cause harm are penalised. Incentives could include, for example, moves towards contactless payments on machines.
- 1.9 We believe that all measures proposed for improving player protection should be assessed against the Government's objectives, namely "... to strike the right balance between socially responsible growth and the protection of consumers and the communities they live in."
  - 1.10 We believe that a number of the measures suggested in the Consultation improve player protection measures on gaming machines and could significantly assist towards achieving this objective.
  - 1.11 However, we contend that while some measures are appropriate and could be of benefit to players and increase player protection, other measures included in the package may do little to increase player protection, may lead to perverse outcomes or may have implementation costs associated with them that could be better used if invested in other areas of player protection.
  - 1.12 We also suggest that there are additional measures that could be included in a package that would also serve to help achieve the Government's stated aim. We set out these additional proposals in response to this question. Timescales for delivery of each measure are dependent on prioritisation and should be considered in light of the importance of evaluation and the need to implement measures in a phased manner, which ensures that the specific impact of individual measures can be identified and assessed.

## 2. Response to Government position and options for consultation:

### *Parity across Category B Machines*

- 2.1 We note within the Consultation document the statement that “As part of the work that industry is taking forward under the objective of the National Responsible Gambling Strategy, we would therefore like to see industry trial and evaluate additional measures on B1, B2 and B3 gaming machines to improve player protections and to create parity across category B gaming machines, the majority of which are in highly accessible locations.”
- 2.2 We believe this to be a laudable ambition, but suggest it would be difficult to implement and may slow the innovation agenda and lead to the implementation of sub-optimal measures across the industry. We believe that any proposal that potentially slows the achievement of the Government’s objective should be viewed with caution.
- 2.3 We suggest that the objective of Government should not be parity in terms of measures on B category of machines, but rather a requirement for common levels of protection, while acknowledging that individual measures may be different depending on the class of venue, category of machine, size of stakes and customer base.
- 2.4 We would like to emphasise that while we believe that the identification, trialing, evaluation and implementation of player protection measures is best done at the sector-level, we believe that there is a significant role for cross-industry co-operation, dialogue and sharing of best practice. The Industry Group for Responsible Gambling (IGRG) has the potential to fulfil a valuable role as the forum for pan-industry discussions and the progression of a limited number of pan-industry initiatives. However, IGRG can only be truly effective if all members of the Group commit to working in partnership with other members.
- 2.5 Player protection measures are constantly being developed by the industry and we advocate a near-constant review with a view to enhancement and refinement of new and existing measures. Indeed, the additional measures we suggest in this response represent enhancements to existing player protection measures rather than new, stand-alone measures and we believe that this can often yield the greatest advances in player protection.
- 2.6 We are concerned that the focus on achieving “parity across category B gaming machines” may slow or discourage the development of new or enhanced measures. Experience suggests that securing pan-industry support can be a slow process, with different elements of the industry needing to take account of specific circumstances relating to their venues.
- 2.7 Similarly, we are concerned about motivation for innovation once parity is achieved and a slowing of the introduction of new measures by those sectors at the leading edge of player protection, while they wait for others to catch up.
- 2.8 We suggest that consideration should be given by the Gambling Commission and Government to a system of commercial rewards for those sectors that lead the player protection agenda and can provide evidence-based evaluation of benefits to players. Similarly penalties should be considered for those sectors that fall behind or who fail to acknowledge that they have the potential to cause harm. For example, as suggested in our

response to Question 10 of the Consultation, permission for contactless payments on machines could be considered for those sectors that can demonstrate significant, proven advances in player protection. Similarly, machine allocations and inflation-linked increases in stakes and prizes could provide useful tools to incentivise sector innovation in the area of player protection. Clearly negative measures could be implemented for those that fall short on player protection innovation. This would also fit with the Government objectives of delivering socially responsible industry growth and the protection of individuals and the communities they live in via the strong incentive to adhere to best practice and innovate for better player protection measures.

- 2.9 Despite the concerns set out here as to how aiming for “parity” in protection measures across machines may hinder innovation, there are some measures that we contend should be introduced across all B3 machines and would assist in achieving the Government’s objective. As we outline specific measures in our response to this question, we will highlight those measures that we believe could be implemented across all B category machines.

#### **Voluntary limits on time and spend:**

- 3.1 We note the reference in the Consultation to voluntary limits; “Evidence suggests that voluntary time and spend limit setting is more effective than compulsory limits in terms of players keeping to the limits that they set, but that take up has been negligible in regards to existing measures on B2s. We would like to see further work done to encourage take up on existing measures (on B2 gaming machines) and work done on the introduction of these measures on B1 and B3 gaming machines.”

#### *Background to voluntary spend and time limits and their current operation:*

- 3.2 All players in LBOs have the ability to 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.
- 3.3 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.
- 3.4 We suggest 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.

- 3.5 Academic evidence<sup>50</sup> 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.
- 3.6 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.
- 3.7 We contend 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<sup>51</sup>:

	18 - 24 Jan 2015	25 - 31 Jan 2015	Feb - Dec 2015	Jan - Dec 2016	Jan - Dec 2017
Number of instances of voluntary spend limits set per week	9,079	143,281	108,434	98,443	96,571
Number of instances of voluntary time limits set per week	7,906	132,671	103,436	94,772	93,102

- 3.8 The table above demonstrates that there was a significant increase in the number of voluntary limits 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.
- 3.9 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 at a fairly consistent level. We suggest 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.

<sup>50</sup> 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>

<sup>51</sup> Data supplied by machine suppliers

- 3.10 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 further corroborates the effectiveness of mandatory alerts at raising consciousness amongst gaming machine players about responsible gambling, and encouraging them to set their own voluntary limits.

The table below shows average quarterly values pre and post July 2016<sup>52</sup>:

QUARTERLY METRICS	Pre	Post	Absolute Increase	% Increase
Volume of Voluntary Money or Custom Spend Limits set	1,249,907	1,302,562	52,655	4.2%
Volume of Voluntary Money or Custom Spend Limits displayed	68,422	103,880	35,458	51.8%
% Displayed	5.5%	8.0%		
% Ending Session Immediately	48.3%	54.9%		
Number of Sessions Ended Immediately	33,048	57,030	23,982	72.6%
Volume of Voluntary Time or Custom Time Limits set	1,201,455	1,256,692	55,237	4.6%
Volume of Voluntary Time or Custom Time Limits displayed	114,607	190,083	75,476	65.9%
% Displayed	9.5%	15.1%		
% Ending Session Immediately	35.8%	32.0%		
Number of Sessions Ended Immediately	41,029	60,827	19,797	48.3%

- 3.11 The tables below show the behaviour of players upon reaching voluntary time or spend limits<sup>53</sup>:

Voluntary Spend Limits (player has exceeded their pre-set voluntary spend limit)	
Immediate activity by the player post alert	Jan to Dec 2017
End player session	52%
Collect excess and continue playing	9%
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*

<sup>52</sup> Data supplied by machine suppliers

<sup>53</sup> Data supplied by machine suppliers

Voluntary Time Limits (player has exceeded their pre-set time limit)	
Immediate activity by the player post alert	Jan to Dec 2017
Collect balance and end player session	32%
Set new limits - player set new custom limits	51%
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*

- 3.12 On reaching a voluntary spend limit the data shows that the majority of players (52%) do stop playing immediately. On reaching a voluntary time limit, a lower percentage of players (32%) stop playing immediately, but the majority (83%) either end their session or continue playing having set new limits.
- 3.13 In summary, we contend that there is strong evidence that the ability to set voluntary limits when using machines in LBOs provides a valuable tool to protect consumers, 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.

*Proposed enhancements to voluntary limit setting for time and spend:*

- 3.14 Given the efficacy of voluntary limit setting and its benefits in terms of consumer protection, we share the view expressed in the Consultation that take up of voluntary limits has been insufficient to date, despite enhancements introduced to the system in January 2015.
- 3.15 We believe that voluntary setting of spend and time limits could be enhanced by the introduction of *Mandatory flexible time and spend limits*.

*Mandatory flexible spend and time limits:*

- 3.16 As an enhancement to the current system in place in LBOs, we propose that players be *required* to set a bespoke limit for time and spend at the commencement of play.
- 3.17 We propose that at commencement of play, players would be presented with a screen that required them to decide at what level to set a time and spend limit.
- 3.18 The player would be presented with a pre-populated screen, similar to an ATM, with options for the maximum amount of time and spend they wish to limit themselves to prior to receiving an alert. Included in the pre-populated screen would be an “other” option that would permit the player to set a wholly bespoke option for time or spend to the nearest minute or £1. The player would receive an alert at the point each limit is reached.
- 3.19 The maximum time limit that could be set would be 2 hours and the maximum spend limit would be £500 reflecting repeated emphasis within the Consultation on the wish to limit >£500 losses (see section on “Hard Stops” below).

- 3.20 In line with current voluntary limits, on reaching their limit the customer would have the ability to continue playing (after setting new limits) or to cash out and end their session. The message on the terminal which would present these options would not be able to be removed by the player and would remain on the screen, preventing further game play, for 30 seconds.
- 3.21 Similarly, in line with the current system, staff would continue to be alerted behind the counter should a player decide to play beyond the limits that have been set.

*Implications of mandatory flexible time and spend limits:*

- 3.22 With the introduction of mandatory flexible time and spend limits, 100 per cent of players will set a limit that they deem appropriate for them. We acknowledge that the *voluntary* nature of the previous structure is removed under this new structure, however we believe that the benefit of requiring all players to consider an appropriate limit level for themselves outweighs any negative impact.
- 3.23 We also believe that the mandatory nature of flexible limit setting will inevitably see a significant rise in the number of players choosing to continue their play once a flexible limit is reached, relative to the voluntary limits setting procedure currently in place. Again, we believe the benefits of setting a flexible limit and the enforced break in play when a limit is reached means that the benefits of mandatory flexible limits outweighs the issue of a higher proportion of players continuing to play once their limit is reached.
- 3.24 It is possible that a number of players will automatically set the highest limit available on the pre-populated screen. Despite this, we believe the process of requiring players to set a limit and the fact that there is a maximum time and spend limit that can be set outweighs this issue.
- 3.25 We believe there remains a role for fixed mandatory alerts, but that mandatory alert levels could be adjusted in order to reduce their likely frequency and thereby ensure there was not an overload of alerts during play. We would seek to work with the RGSB and Gambling Commission to agree an appropriate level for mandatory time and spend alerts following implementation of the mandatory flexible alerts system.

*Timescales for implementation:*

- 3.26 From the point of agreement with the Gambling Commission and RGSB to go ahead with this proposal as a sensible measure the ABB believes that it could take between 9 and 12 months of development, technical trialling and staff training to implement estate-wide roll-out. Timescales for delivery of each measure are dependent on prioritisation and should be considered in light of the importance of evaluation and the need to implement measures in a phased manner, which ensures that the specific impact of individual measures can be identified and assessed.
- 3.27 We contend that the advantages of a system of mandatory flexible limit setting are sufficiently apparent to mean that trials with associated quantitative and qualitative evaluation, prior to estate-wide roll out may be of limited value and only slow the process of

full implementation. We would be happy to discuss with the Gambling Commission and RGSB the benefits of pre-implementation trialling.

- 3.28 We believe that full quantitative evaluation of mandatory flexible limit setting could be undertaken post-implementation using machine data.

*Potential for implementation across B category machines:*

- 3.29 The introduction of mandatory flexible limit setting would result in a very significant change in the player journey and experience. We believe that there should be a commitment from, or requirement for, all operators of category B machines to implement similar or identical measures within a reasonable timescale. Without such a commitment or requirement, we believe our members could be placed at a significant commercial disadvantage and that they may see customers displace to other classes of venue in attempt to avoid the more cumbersome (but beneficial) limit setting requirements in place in LBOs.
- 3.30 Given the additional benefits that the introduction of the mandatory flexible limits would bring, we are uncertain as to the merits of the Consultation proposal that work should be done on the introduction of existing voluntary alert measures on B1 and B3 machines. Whilst clearly a matter for Government and the Gambling Commission, we believe that the experience of the LBO sector in relation to voluntary limit setting suggests that mandatory flexible limits are superior and would advocate a requirement for the whole industry to move to this standard.

#### **4. Hard stops**

- 4.1 We note the Consultation proposal that “Hard Stops when limits are met, i.e. the ending of sessions, should also be considered as an accompanying measure.”
- 4.2 We support this proposal and believe “Hard Stops” could provide an additional measure to enhance consumer protection and limit harm.
- 4.3 We have taken the concept of a “Hard Stop” to mean the ending of a session at a pre-determined point with no further play being possible beyond that point in that session. This would enforce a break in play, with the ticket out function deployed, allowing the customer a time for reflection, and where appropriate, a responsible gambling interaction (RGI) by a member of staff.
- 4.4 As defined in 4.3, we believe that the concept of “Hard Stops” has merit. However, we do not agree that upon a voluntary limit being reached by a customer, that a “Hard Stop” is an appropriate measure. We believe the introduction of “Hard Stops” in such cases would simply lead to higher limits being set than might otherwise be the case or, in the case of the current voluntary limits, fewer limits being set overall. This would clearly not advance consumer protection.

- 4.5 We do believe it is worth considering “Hard Stops” at a pre-defined level of loss and potentially at the level of £500 loss. The £500 figure is used given the definition of a large-scale loss within the Consultation document as being above £500.

*Implications of the introduction of a “Hard Stop” at a session loss of £500*

- 4.6 Clearly, the implementation of a “Hard Stop” at a session loss of £500 would immediately result in there being no session losses greater than £500 on the gaming machines that implemented such a “Hard Stop”.
- 4.7 A “Hard Stop” would enforce a break in play at the point of a £500 loss and require a player to cease play on the machine. It would also provide the opportunity for a RGI to take place, where appropriate. Should a customer wish to continue playing, they would be required to commence a new session on another machine, or wait for the machine they had been playing to become available for play again following the “Hard Stop”. Regardless, the customer would experience an enforced break in play, time for reflection, and a RGI where appropriate.
- 4.8 Player reaction to a “Hard Stop” should also be considered. We would advise that a system of on-screen alerts as a player approaches the “Hard Stop” point should be used to ensure that the player is aware that, should their total loss reach £500, the session will be stopped, a ticket will be printed with any balance they may have on the machine and, should they wish to do so, they will be required to start a new session on the same or different machine, following an appropriate break in play.
- 4.9 We are also concerned that some players may hold the incorrect belief that machines become more likely to pay out following a period of losing play. The forced ending of a session and the suggestion that play can continue on another machine may lead to adverse reactions on the part of the player. We cannot currently identify a measure to avoid such reactions, but believe the likelihood of such reactions may diminish over time, as the measure is better understood.

*Timescales for implementation:*

- 4.10 We believe there is a case for “Hard Stops” at a pre-determined level of loss, however, would suggest that full trialling take place before implementation to ascertain the optimal messaging and customer journey.
- 4.11 Trials could involve different levels of loss for the “Hard Stop” and should involve both quantitative and qualitative evaluation so that the impact of the measure on player losses and the experience of the player are fully understood. Such trialling could also permit evaluation of different messages, both prior to the “Hard Stop” being triggered and at the point of the “Hard Stop” itself.
- 4.12 Based on the requirement for trialling and evaluation around this measure and the need to avoid multiple measures being introduced in similar timescales, we believe that, subject to trialling and evaluation, estate-wide roll out of “Hard Stops” could be achieved within 24 months of a commitment to move forward on the measure. Timescales for delivery of each measure are dependent on prioritisation and should be considered in light of the importance

of evaluation and the need to implement measures in a phased manner, which ensures that the specific impact of individual measures can be identified and assessed.

*Potential for implementation across B category machines:*

- 4.13 The introduction of “Hard Stops” would result in a very significant change in the player journey and experience. We believe there should be a commitment from, or requirement for, all operators of category B machines to implement similar or identical measures within a reasonable timescale. Without such a commitment, we believe that our members could be placed at a commercial disadvantage and that they may see customers displaced to other classes of venue in attempt to avoid the more cumbersome (but potentially beneficial) “Hard Stop” measures in place in LBOs.
- 4.14 We also contend that given concerns around Cat C machines e.g. limited staff oversight, lower RTP, greater volatility and availability of alcohol, “Hard Stops” could be considered on these machines. This also gives rise to the question of whether “Hard Stops” should be set at the same level for all categories of venue given the existence of losses above £500 across all venues. We believe it is a matter for the Government, Gambling Commission and RGSB to decide whether the nature of different venues and the differing player protection measures in place, suggest different levels for “Hard Stops” across different classes of venue are required.
- 4.15 It should be noted that we do not believe that initial technical development, trialling and evaluation of “Hard Stops” should necessarily reside with the LBO sector. It may be entirely feasible for another sector to undertake the initial development, trialling and evaluation, with the LBO sector ensuring during this period that it is in a position to implement “Hard Stops” should the evaluation carried out in another sector prove positive.

***Mandatory alerts:***

- 5.1 We note the Consultation comments regarding mandatory alerts, in particular: “Evidence suggests that these can be effective at improving player control but must be trialled and evaluated routinely to ensure the effectiveness with players.”
- 5.2 We concur with this view and set out the most recent data relating to mandatory alerts below:

Mandatory Spend Alerts (player has reached an automatic spend limit)	
Immediate activity by the player post alert	Jan to Dec 2017
Total Limits per Week	1,107,026
Collect and Stop Playing	6%
Continue playing - insert no more cash	23%
Continue playing - insert more cash	71%
Total	100%

Mandatory Time Alerts (player has reached an automatic time limit)	
Immediate activity by the player post alert	Jan to Dec 2017
Total Limits per Week	1,871,661
Collect and Stop Playing	9%
Continue playing - insert no more cash	51%
Continue playing - insert more cash	41%
Total	100%

- 5.3 While we accept that mandatory alerts can be “...effective at improving player control...” we note that the majority of players continue to play having received an alert and we maintain a concern that if there are too many alerts on machines, they will be ignored and that any hierarchy in alerts will be potentially lost.
- 5.4 We can foresee an environment where there could be alerts relating to mandatory flexible alerts, “Hard Stops”, the Anonymised Player Awareness System and the Player Awareness System. As detailed in 3.25, within such an environment, we would wish to work with the Gambling Commission and RGSB to identify the appropriate level of mandatory alerts and their consequent frequency.

*Timescale for implementation:*

- 5.5 We would foresee discussions with the Gambling Commission and RGSB around mandatory alerts taking place in conjunction with discussions around other proposed measures immediately following completion of the Consultation and outcome of the decision-making process.
- 5.6 Any reduction in the frequency of mandatory alerts would occur only in co-ordination with the implementation of new player protection measures and their associated alerts.

*Potential for implementation across B category machines:*

- 5.7 We contend that the applicability of mandatory alerts to other categories of machine and venue largely depends upon what other player protections are set in place in relation to such machines and venues. We suggest that mandatory alerts might provide a good starting point for other venues in the absence of any significant player protection measures on the machines available.

## **B2 slots:**

- 6.1 We set out our position with regards to B2 slots above in relation to Option 3 of the consultation. However, for completeness we set it out again here as part of the package of responsible gambling measures we believe will deliver the most effective way to reduce harm.
- 6.2 We note the proposal in the Consultation that suggests “Prohibiting mixed play between B2 and B3 (only applies in practice to gaming machines in betting shops). Industry data obtained by the Gambling Commission as part of the call for evidence highlighted that session losses were high on sessions that contained mixed play. We think this measure will improve player control by making it more apparent to players when they are transitioning between different content on a single terminal...”.
- 6.3 We also address the point made in the Consultation stating that: “... with regard to B2 slots, industry data provided to the Gambling Commission during the call for evidence highlighted that there were a higher proportion of sessions with higher losses playing B2 slots than playing B2 roulette (see figure 1 in Consultation document). Taking sessions losses as a proxy for potential harm, we think there are grounds for a greater reduction of the maximum stake for this type of game.”
- 6.4 Associated with this, we also note the Impact Assessment that accompanies the Consultation. In the Summary: Analysis and Evidence relating to Option 5 (Reducing maximum stake on B2 gaming machines to £20 (non-slots) the impact of reducing B2 slots to £2 is included in the calculation. While we fail to understand why it is only at the £20 maximum stake level that a reduction in B2 slots to a lower level is considered, we take the inclusion of this option at the £20 staking level to suggest that a reduced stake on B2 slots is a consideration.
- 6.5 We contend that there is significant clarity provided to players when they transition from B3 to B2 slots content. Currently any player undertaking such a transition receives the following message: “YOU ARE ABOUT TO ENTER A CATEGORY B2 GAME”.
- 6.6 Despite this, we will be happy to consult with the Gambling Commission and RGSB in order to identify if there are any stronger mechanisms for alerting players if they transition between B3 and B2 slots content.
- 6.7 With regard to the suggestion that “...there are grounds for a greater reduction of the maximum stake for this type of game (B2 slots)” notwithstanding our contention that there is no evidence for a reduction in B2 maximum stakes overall, we accept that some reduction in B2 slots maximum stake below the level of non-slots maximum stake may have merit, based on the higher session losses associated with B2 slots.
- 6.8 However, we contend that a reduction of B2 slots to a stake level of £2 represents a de-facto abolition of B2 slots, as providers will offer only B3 slots that have the same maximum staking level, 8 times faster spin speed and lower RTP. We do not believe such a move would help achieve the Government’s objective of enhanced consumer protection, as it will force slot players in LBOs to use a product that is faster, and has a lower RTP.

- 6.9 We suggest that B2 slots, with a 20 second spin speed and an average RTP 4 per cent higher than B3 slots, should have a stake that is set at 50% of the level of the maximum stake for non-registered, non-slots content on B2 machines (currently this would equate to a £25 maximum stake for B2 slots). We believe that, combined with other player protection measures we are proposing on machines, which will in and of themselves limit losses, this would be a proportionate response and ensure that slower, higher RTP B2 slots content remained available for customers.

*Timescale for implementation:*

- 6.10 We believe that a maximum stake of 50% of the maximum stake for non-account based, non-slot content on B2 machines could be implemented within 12 months of the completion of the Consultation and outcome of the decision-making process. Timescales for delivery of each measure are dependent on prioritisation and should be considered in light of the importance of evaluation and the need to implement measures in a phased manner, which ensures that the specific impact of individual measures can be identified and assessed.
- 6.11 Given the significant impact this measure may have on player behaviour we believe detailed quantitative analysis would be required following implementation to ensure the desired reduction in mixed session losses was being achieved and that perverse outcomes such as longer sessions or riskier play were not exhibited.

*Potential for implementation across B category machines:*

- 6.12 This measure is not applicable to other category B machines.

**Algorithms:**

- 7.1 We note the Consultation reference to the use of algorithms to identify problematic play on gaming machines; “Although there is a long way to go to utilise the wealth of data available on gaming machines, we believe that this measure has the potential to be an effective intervention tool for those most at risk.”
- 7.2 The ABB shares this view and believes that the use of algorithms has the potential to make a significant contribution to the protection of consumers and the communities they live in.

*Background to the use of algorithms and their current operation:*

- 7.3 There are two current algorithm-driven player protection tools in use in LBOs – the Player Awareness System (PAS) which tracks cross-session account-based play and the Anonymous Player Awareness System (APAS) which has recently completed trialing and evaluation, and monitors all players within individual gaming sessions. Where potentially harmful play is identified, both systems will alert both the player and staff, facilitating a staff intervention where applicable.
- 7.4 We believe that both the PAS and APAS industry leading tools facilitate effective interventions for those most at risk, and that the flow of data and regular evaluations allow progressive updates to the algorithms.

### *Player Awareness System (PAS)*

- 7.5 In December 2015, Player Awareness Systems were launched across all LBOs in response to GambleAware 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<sup>54</sup>. ABB members considered that by using the outcomes of this research it may be possible to more accurately identify account-based players at risk of harm while using machines. Approximately 10% of sessions on gaming machines in LBOs are account-based.
- 7.6 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 dependent on the level of 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.
- 7.7 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 may be expected that at-risk players will “reset” their playing behaviour so that they reduce the risk of harm associated with their play.
- 7.8 It is also expected that at-risk players will be identified at an earlier stage than might have been the case if only behavioural monitoring in the shop had taken place. This gives players the earliest possible opportunity to change behaviour before it becomes ingrained.
- 7.9 In 2016, we commissioned PWC to conduct an early evaluation of the systems in place across operators (Coral, Ladbrokes, Paddy Power, and William Hill). This evaluation identified a number of areas where the PAS systems could be improved and led to a number of operational enhancements to several PAS systems. A further review (Appendix 6) was then undertaken by PWC in 2017, in order to identify the progress that has been made in operators’ PAS systems and the effectiveness of these changes. This audit used data collected from operators during the period 1 March to 31 May.
- 7.10 The PWC report found that the changes made to the PAS systems were ‘evolutionary not revolutionary’, but that progress was being made - particularly around the governance of the PAS systems.
- 7.11 Operators have continuously made improvements to their respective PAS systems, and the second audit confirmed operators’ commitment to further refine and develop PAS. Feedback sessions were held with every operator individually and the PWC report noted that there was

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<sup>54</sup> Machines Research Programme: Report 1 – Theoretical markers of harm for machine play in a bookmaker’s, A rapid scoping review, Wardle, H; Parke, J; and Excell, D, NatCen prepared for the Responsible Gambling Trust, now BeGambleAware, April 2014, <https://about.gambleaware.org/media/1169/report-1-theoretical-markers-of-harm-for-machine-play-in-a-bookmakers-a-rapid-scoping-review.pdf>

‘a spirit of cooperation’ amongst the operators to share knowledge and to develop best practice.

- 7.12 Since the audit was produced operators have continued to improve their PAS systems. For example, in December 2017 Ladbrokes Coral moved from four PAS systems to one. The new PAS system is able to score customers through both brands (Coral and Ladbrokes) and both channels (remote and retail) in the same way.
- 7.13 Based on the possible extension of tracked play, we believe that it is appropriate to align PAS algorithms across all LBO operators. Since the launch of PAS in 2015, in line with the ABB Responsible Gambling Code, best practice has been shared among operators of different systems. Via our RG working group, we have initiated a process to align player & staff PAS messaging. The next stage will be to align the algorithms and the operator processes to ensure that a player showing signs of harm will receive the same message and intervention, whichever LBO they are playing in.

#### *Anonymous Player Awareness System (APAS)*

- 7.14 The Anonymous Player Awareness System (APAS) is a real-time in-session algorithm which runs across all sessions in trial areas. The system uses data algorithms to identify markers of harm as identified by GambleAware research<sup>55</sup> which may suggest an individual is showing signs of potentially problematic play. These alerts function in a similar way to the current mandatory alert pop-ups, with identified harmful behaviour triggering an alert to both the player and to members of staff.
- 7.15 The RGSB state that “there are considerable limitations on the use of algorithms to detect potentially harmful patterns of play in LBOs when these can only be applied to the minority of customers using loyalty cards”. However, we contend that the development and trialing of the APAS algorithm has successfully removed that limitation, resulting in every session, and therefore every player in trial areas, being monitored and receiving an alert if exhibiting certain signs of harm. Details on the evaluation of the trials is detailed below in points 7.17 through 7.28.
- 7.16 We, via our Responsible Gambling roadmap, have ensured that the algorithm, the messaging and the alerts are identical across both machine suppliers and therefore across all LBOs. The alerts, for both players and staff, are coloured yellow (see examples in Appendices 7 and 8) in order that they stand out versus other RG alerts. On receiving an alert, a player can end their session or have an enforced break of play before they continue.

#### *APAS Phase 1 Trial*

- 7.17 In January 2017, the initial algorithm (phase 1) was rolled out on trial in 3 geographical areas. The algorithm used two key markers of harm as identified in the RGT research of Dec 2014

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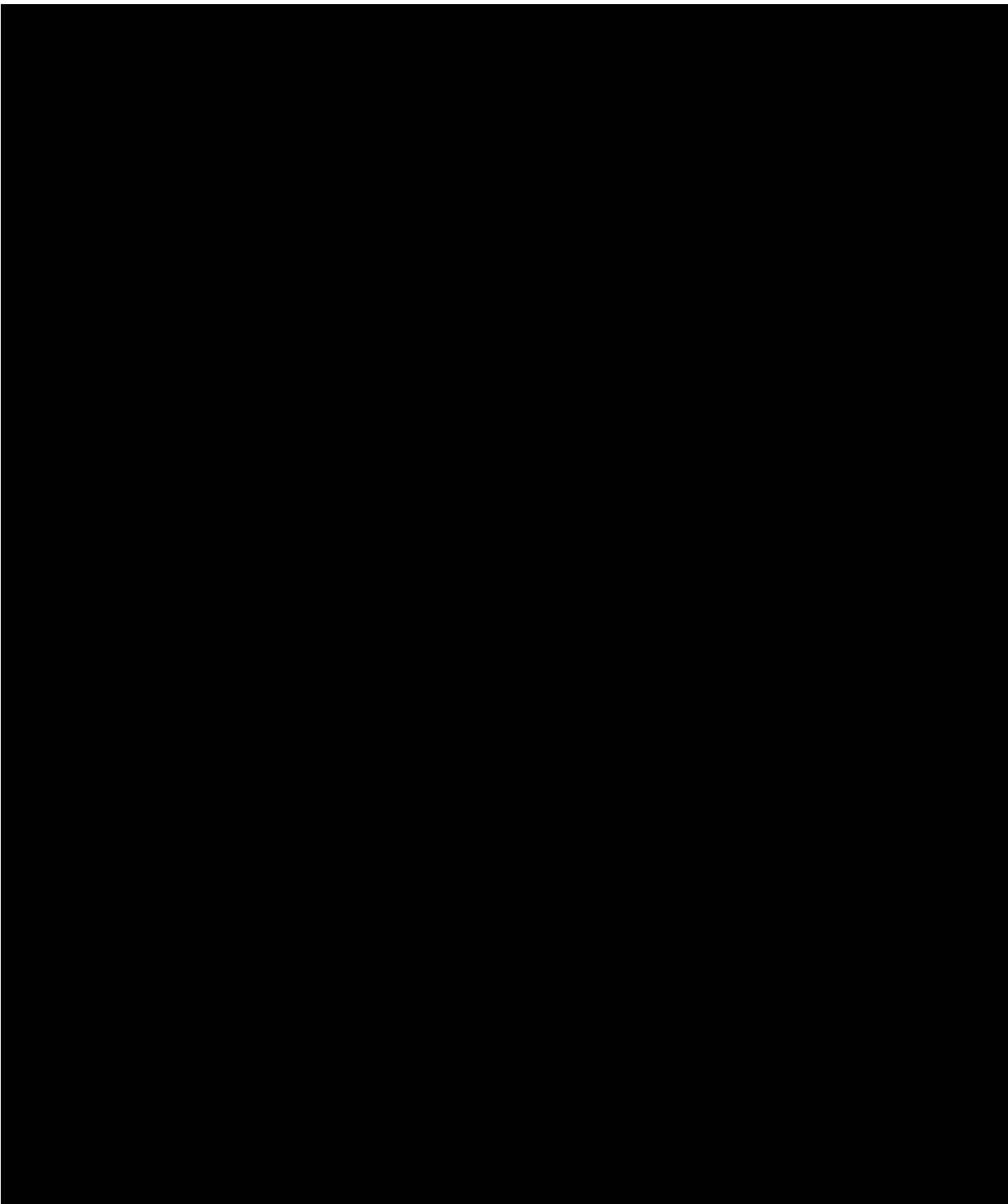
<sup>55</sup> Machines Research Programme: Report 1 – Theoretical markers of harm for machine play in a bookmaker’s, A rapid scoping review, Wardle, H; Parke, J; and Excell, D, NatCen prepared for the Responsible Gambling Trust, now BeGambleAware, April 2014, <https://about.gambleaware.org/media/1169/report-1-theoretical-markers-of-harm-for-machine-play-in-a-bookmakers-a-rapid-scoping-review.pdf>

(‘Absolute Loss’ and ‘Extended Losing Session’)<sup>56</sup>, both of which had a pre-determined value at which an alert occurred. Each trial area ran a slightly different version of the algorithm so that all three versions could be evaluated against each other as well as against a control group.

- 7.18 The results of this trial showed that the percentage of players ending their session immediately on receipt of an alert increased by 20%, but that those carrying on after receiving an alert do not materially alter their patterns of play. However, there was sufficient evidence to show that during the trial period, player behaviour was nudged in the right direction with gradual movements away from harmful play being observed in the majority of metrics. See Appendix 7 for summarised results.
- 7.19 Having evaluated the trial after 12 weeks, there were some clear recommendations and enhancements for future trials. These can be seen in more detail in Appendix 7 but two key recommendations were to run some qualitative analysis (in order to understand the type of players reacting to the alerts) and to trial a reduction in the volume of mandatory alerts (to highlight whether APAS alerts had a specific effect).

<sup>56</sup> Machines Research Programme: Report 1 – Theoretical markers of harm for machine play in a bookmaker’s, A rapid scoping review, *Wardle, H; Parke, J; and Excell, D*, NatCen prepared for the Responsible Gambling Trust, now BeGambleAware, April 2014, <https://about.gambleaware.org/media/1169/report-1-theoretical-markers-of-harm-for-machine-play-in-a-bookmakers-a-rapid-scoping-review.pdf>

<sup>57</sup> Machines Research Programme: Report 1 – Theoretical markers of harm for machine play in a bookmaker’s, A rapid scoping review, *Wardle, H; Parke, J; and Excell, D*, NatCen prepared for the Responsible Gambling Trust, now BeGambleAware, April 2014, <https://about.gambleaware.org/media/1169/report-1-theoretical-markers-of-harm-for-machine-play-in-a-bookmakers-a-rapid-scoping-review.pdf>



*Timescale for implementation:*

- 7.29 The roll-out of APAS II (with refinements) estate-wide can be achieved in 2018. Alignment of PAS messaging can also be achieved in 2018. Timescales for delivery of each measure is dependent on prioritisation and should be considered in light of the importance of evaluation and the need to implement measures in a phased manner, which ensures that the specific impact of individual measures can be identified and assessed.

*Potential for implementation across B category machines:*

- 7.30 We contend that algorithms have the potential to make a significant enhancement to player protection and that the use of algorithms on machines is appropriate across all category B machines.
- 7.31 We would be willing to make available the learnings from our trialling of algorithms to other sectors in order to facilitate their development of appropriate algorithm-based player protections across the industry.

***Player tracking:***

- 8.1 We note that the Consultation states; “We think that the tracking and monitoring of play has the potential to better inform policy decisions in regards to gaming machines as well as provide for more targeted interventions for problem gamblers on machines. We have requested more advice on this issue from the Gambling Commission”.
- 8.2 Further, we note that the Consultation states: “In addition, we have asked the Gambling Commission to advise us on the costs and benefits of introducing a form of tracked play on B1, B2 and B3 gaming machines. By tracked play we do not necessarily mean that players would be required to provide verified personal information about themselves to their gambling operators. It could be a process by which players would register and be given some way of tracking their play (e.g. a number, a QR code) without providing this information. An approach like this would address player concerns about sharing personal data with gambling operators, but still provide data to better understand harm and the effectiveness interventions. We note that there significant potential benefits to this measure, including improved data about gaming machine play and therefore enhanced ability to target interventions, prevent underage and self-excluded players from gambling, and to evaluate the impact of interventions. We would also welcome views from the industry and others about this measure, including potential costings and process and timing of implementation. Finally we would like to see industry establish a process with the RGSB, GambleAware and the Gambling Commission in which data on how gaming machines are played is routinely shared, for the purposes of monitoring, evaluation and research.”
- 8.3 We note and agree with the potential benefits of player tracking suggested in the DCMS Consultation document, namely “...improved data about gaming machine play and therefore enhanced ability to target interventions, prevent underage and self-excluded players from gambling, and to evaluate the impact of interventions.”
- 8.4 However, we would contend that, depending upon how it would be structured, player tracking could represent a significant infringement of an individual’s right to anonymity and civil liberties. We are currently unaware of any similar proposals for consumer tracking in other potentially addictive areas of consumer purchasing, such as the purchase of alcohol or tobacco. We would suggest that any implementation of player tracking should be proportionate to the potential risks/benefits and give due consideration to the infringement of personal liberties that follows as a consequence.

- 8.5 Despite these concerns, we support the expansion of the ability to track play on gaming machines and believe that an *appropriately* designed system to increase the levels of tracked play would yield many of the benefits envisaged in the document.
- 8.6 20% of B2 sessions currently include a stake above £30 and 27% of all B2 stakes are above £30. We suggest that a player journey for staking above £30 could stimulate significant levels of registration and permit large scale tracking of those most likely to be at risk. We also propose that no OTC authorisation would be permitted for higher stakes.
- 8.7 Further, any registered player who self-excluded, and provided appropriate details, would have their registration cancelled upon self-exclusion.
- 8.8 We suggest that that low-staking, infrequent customers of betting shops should not be required to register and have their machine play tracked. Currently, there are approximately 4 million individual sessions played each week on B2/B3 terminals in LBOs. We know that approximately 2.8 million of these sessions last for less than 10 minutes and also know that over 3.3 million sessions per week will contain no stake greater than £30. We do not believe that there is significant value in tracking such sessions and that the infringement of privacy and burden of registration significantly outweigh the potential benefits of tracking them.
- 8.9 We are also concerned that tracking and monitoring approximately 4 million sessions per week could undermine the Player Awareness System that is in place for registered play. Currently approximately 200,000 sessions per week, undertaken by fully registered players, are monitored by the Player Awareness System. Despite significant automation, the final step in the process of identifying those at most risk of harm and the most effective interaction still requires some manual input. Increasing the volume of sessions being tracked by twenty times would inevitably increase the risk of individuals being missed and potentially prevent quick and accurate identification of those at risk of harm.
- 8.10 We would highlight that the Anonymised Player Awareness System II (referenced in Section 7) has been successfully trialed and received positive quantitative and qualitative evaluation. These evaluations are attached in Appendices 8 and 9 and a full roll-out of the APAS II system will take place in 2018, incorporating minor amendments suggested by the evaluations.
- 8.11 All players (low and high staking) will be monitored by the APAS II system and we believe that this provides an effective monitoring mechanism for relatively low-staking individuals who may be experiencing problems.
- 8.12 We contend that requiring registration at all staking levels may drive occasional machine players, who use cash as a form of spend-management, onto other categories of machines, often with higher loss rates and sited in less controlled environments. We do not believe this would be a positive step, could significantly increase player harm and would not help achieve the Government's stated objectives around consumer protection.
- 8.13 The Consultation also suggests a light-touch form of player tracking and we set out our view on these proposals below: *"By tracked play we do not necessarily mean that players would be required to provide verified personal information about themselves to their gambling*

*operators. It could be a process by which players would register and be given some way of tracking their play (e.g. a number, a QR code) without providing this information.”*

- 8.14 We understand that this proposal is aimed at making registration more attractive and easy for players and we suspect that it is envisaged that it could be introduced for all or most machine-based play.
- 8.15 We are however, uncertain how such a system would operate in practical terms and are concerned that such a system would be incapable of delivering some of the benefits that are envisaged from tracked play.
- 8.16 Without the operator holding verified personal information on an individual, we find it difficult to conceive how individuals would not be able to apply for multiple registrations, either by claiming to have forgotten or lost a card or by repeatedly registering as a new customer, possibly in a different LBO operated by the same operator.
- 8.17 The ability of an individual to hold multiple registrations and the lack of verified personal information held by the operator leads us to conclude that many of the benefits suggested by player tracking could not be achieved.
- 8.18 We note the ambition in the Consultation that player tracking could lead to “Improved data about gaming machine play and therefore enhanced ability to target interventions”.
- 8.19 While it is the case that the envisaged system, unsupported by verified personal information held by the operator, could in theory be implemented across relatively low staking levels and cover infrequent or highly infrequent players. We see little value in collecting the data on low-staking, infrequent players and contend that designing a system, without verified personal data, so as to encompass such players is of little material value when set against the dis-benefits that such a system suggests.
- 8.20 Further, the likelihood of there being significant numbers of multiple registrations means that any data collected will have to be treated as significantly imperfect and of only limited value when targeting interventions.
- 8.21 Similar limitations apply under the envisaged system to the Consultation’s stated ambition around player tracking relating to the prevention of “... underage and self-excluded players from gambling”.
- 8.22 Underage gambling in LBOs remains a relatively limited issue. While the processes around the proposed registration could require the production of proof of age, the lack of verified personal information, held by an operator, associated with a registration would mean that it would be difficult to ensure registrations were not passed to underage individuals. If the consequence of registration was to reduce shop staffs’ focus on age verification this could produce a perverse outcome.
- 8.23 Equally, we foresee little benefit in the area of self-exclusion from a registration that is not supported by verified personal information held by the operator. Currently, self-exclusions are centrally coordinated and involve the transmission of data about the self-excluder to the relevant shop teams. Under the proposed system, shop teams would not be able to link a

self-exclusion to the registered player, as they would not hold verified personal information. Even if shop staff were able to match a self-excluded player to a registration under this system, we believe the potential for multiple registrations and the relative ease of registering would make benefits in the area of self-exclusion very limited.

*Timescales for Implementation:*

- 8.24 We believe that a player tracking system for individuals staking above a set level, such as £30, could be implemented to coincide with the implementation of any changes to staking levels that may be recommended by the consultation. Quantitative and qualitative evaluation could take place following estate-wide implementation.

*Potential for implementation across B Category machines:*

- 8.25 Given that we believe player tracking should only occur at higher staking levels, player tracking does not appear relevant to other B categories of machine.

**Additional player protection measures not covered in the consultation:**

**9. Debit Card Blocking:**

- 9.1 We strongly believe that the ability of customers to block one or more debit card so that they cannot be used for transaction in LBOs, or possibly in any gambling venue, has the potential to make a significant contribution to player protection and protection of the communities that they live in.
- 9.2 It is not currently technically feasible for LBO operators to block an individual's debit card. This therefore permits individuals to undertake transactions in betting shops (and other gambling venues) up to the limit of the funds available in their bank account.
- 9.3 If a debit card was blocked for transactions in LBOs or all gambling venues, the individual would be limited to being able to gamble only with cash. For the majority of customers, this would be limited to the amount of cash they are able to withdraw from an ATM in a 24 hour period. This amount rarely exceeds £500.
- 9.4 Depending on the structure for debit card blocking deployed, it may be possible to encourage individuals who are self-excluding to block their debit card either directly with the relevant LBO operator or with their bank (it is important to note that neither LBOs nor banks could block an individual's debit card without customer consent).
- 9.5 We suggest that where individuals agree to block their debit card upon self-exclusion, the ability to enforce the exclusion is increased. It could also be a useful tool for customers to manage their gambling behaviour in venues where they have not chosen to self-exclude.
- 9.6 We have undertaken extensive work in the area of debit card blocking over the past 2 years and have identified two possible mechanisms for introducing debit card blocking:
- An agreement with UK banks to provide a facility for customers to block the Universal Gambling Merchant Code 7995 on the debit card. This would directly benefit those

wishing to limit their daily spend regardless of gambling venue whether it be in a LBO, casino or arcade.

- A bespoke service that would apply only to LBOs using a 3<sup>rd</sup> party provider to block debit cards for those customers seeking to do so. This mechanism would apply across the LBO estate, but would not apply to other forms of gambling.

- 9.7 Our preference would be for agreement to be reached with banks for the implementation of this player protection measure. We believe it would be the most cost effective means by which to achieve the measure, and also benefit the customer wishing to control their gambling behaviour. Whilst the majority of banks have been resistant to implement this capability during discussions with the ABB, we believe that, with the assistance of the Government and the Gambling Commission, influence could be used to encourage banks to facilitate debit card blocking for those wishing to use the facility.
- 9.8 We contend that should discussion with banks fail to yield the preferred solution, then we would be willing to progress with the bespoke solution outlined as the second option.

*Timescales for implementation:*

- 9.9 Following the outcome of the consultation, we suggest that interested parties (including other gambling operators, major high-street banks etc.) should convene a meeting to discuss the potential of blocking 7995 merchant code transactions. The meeting should be joined by representatives from the Gambling Commission, DCMS, Treasury and the Financial Conduct Authority. A time-limit of 3 months should be set to reach an outline agreement on debit card blocking.
- 9.10 Should no agreement be reached or appear feasible within 3 months of discussions commencing, we would commit our members to funding and progressing a bespoke debit card blocking system for the LBO sector (and other sectors, should they wish).

*Potential for implementation across B category machines:*

- 9.11 We contend that this measure is wholly applicable to all categories of machine and gambling venue.

## **10 Expansion of the BetKnowMore pilot:**

- 10.1 The BetKnowMore UK pilot project, 'Don't Gamble with Health', was launched in Islington on October 5th 2016. The aim of the project was to reduce gambling related-harm amongst the customer base frequenting ABB member's licensed betting offices (LBO) in the London borough of Islington. In part, Islington was identified as the most appropriate area for the pilot based on the significant levels of deprivation that exist within the borough.
- 10.2 The ABB and its members have exclusively provided funding for the pilot from October 2016, and have currently committed to fund the pilot until at least March 2018.
- 10.3 The pilot project was designed to trial a new approach to providing treatment and support to betting shop customers and to reduce the impact of gambling-related-harm. Customers experiencing harm, or believing they are at risk of harm, can self-refer and shop staff are trained to recommend the service and encourage those they believe to be experiencing harm to refer to the service.
- 10.4 In order to refer themselves to the service, contact details are provided by the customer and recorded on a referral postcard, which is placed into the referral box behind the counter. A call is then made to the BetKnowMore UK outreach team informing them that an individual has referred themselves. BetKnowMore UK then collects the referral card and contacts the customer (now client) within 48 hours. Once contact has been made with the client a meeting is arranged in the local area to undertake the initial assessment to identify what treatment options may be appropriate.
- 10.5 In order to support the service, operator staff received training in the form of 17 workshops on gambling-related harm (October 2016 to November 2017). The training was delivered to 112 people including both frontline and corporate staff as well as those from relevant partner organisations. During the pilot period, 95 clients were referred to the service, or self-referred, and all were contacted by the service within 48 hours.
- 10.6 In August 2017, GambleAware commissioned Chrysalis to undertake an independent evaluation of the scheme. The evaluation assessed the effectiveness of the pilot, and noted that for clients who engaged with the service there was a significant reduction in gambling-related harm. The evaluation report<sup>58</sup> (Appendix 10, page 30) states: *"During the course of their treatment, the signs of anxiety and depression, thoughts of self-harm and other negative manifestations have considerably diminished for the majority of the clients. This is particularly impressive given the complex nature of many clients' needs, ranging from prior mental and physical health conditions to co-morbidity issues"*.
- 10.7 The Chrysalis evaluation also made recommendations relating to scaling up and expanding the pilot including the development of the BetKnowMore UK team's and building partnerships in prospective new areas. The ABB are supporting the BetKnowMore UK team in this partnership building with a view to expanding the pilot into other London Boroughs.

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<sup>58</sup> BetKnowMore UK Don't Gamble with Health pilot project: Evaluation report for GambleAware. 07 December 2017[https://about.gambleaware.org/media/1646/evaluation-of-betknowmoreuk-dgwh-pilot-project\\_final-report.pdf](https://about.gambleaware.org/media/1646/evaluation-of-betknowmoreuk-dgwh-pilot-project_final-report.pdf)

The ABB is also working with BetKnowMore UK to investigate options to broaden its funding base to ensure the long term viability of the pilot.

- 10.8 We believe there is sufficient evidence from the pilot project and evaluation to suggest that there would be significant benefit to problem and at-risk gamblers from expanding the project. In particular, we believe a pilot in the London Borough of Newham could be of value.
- 10.9 Similarly, we would hope to work with GambleAware to identify how the benefits of rapid intervention can be promoted and a range of providers encouraged to consider similar models. The model includes involvement by the partner organisation with local gambling venues, and rapid intervention with the customer upon identification of a potential problem.

*Potential for implementation across all B category machines:*

- 10.10 We believe that expansion of the BetKnowMore project to other London boroughs and, potentially nationally, with a primary focus on areas of deprivation, will require the support of the whole of the land-based gambling sector (and potentially online). Joint-funding of projects in other London boroughs, particularly in areas where there are large casinos or a high presence of AGCs, provides the best potential for a significant roll out of the service. This also applies to areas outside London, where there is a prevalence of gambling opportunities and high levels of deprivation.

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

- 1.1 We do not maintain a view on this question.

**Q13. Do you support this package of measures to address concerns about gambling advertising?**

- 1.1 We do not maintain a view on this question.

**Q14. Do you agree that the Government should consider alternative options, including a mandatory levy, if industry does not provide adequate funding for RET?**

- 1.1 We have previously publicly set out our position that “The ABB would support a mandatory levy, set at an appropriate level, to ensure adequate funding for RET”.
- 1.2 We are uncertain, however, as to how a mandatory levy would be disbursed and what mechanism would be set in place alongside a mandatory levy to ensure continued innovation and a dynamic environment in relation to RET.
- 1.3 We do not believe that innovation and dynamism would be well served by a single body receiving the proceeds of a mandatory levy, as this could lead to a top down approach and stifle innovation at the industry sector level.
- 1.4 We note that several of the most promising initiatives undertaken by the ABB have been identified, trialled, evaluated and implemented by the ABB itself or in partnership with appropriate third-parties. Projects such as the development of algorithms, the BetKnowMore

initiative, and Responsible Gambling Week would all fall into this category. The investment in these projects has been substantial and would not wholly show in receipts from the LBO sector in GambleAware accounts. Such innovation should be encouraged across all sectors and any structures for a mandatory levy should not discourage such innovation, but rather reward it.

- 1.5 Overall, we believe that while a mandatory levy should aim to provide the minimum level of funding for RET at a central level, Government must ensure that industry and RET providers are encouraged to innovate and take forward projects outside the mandatory structure.

**Q15. Do you agree with our assessment of the current powers available to local authorities?**

- 1.1 Yes

**Q16. Are there any other relevant issues, supported by evidence that you would like to raise as part of this consultation but that have not been covered by questions 1-15**

- 1.1 We note the RGSB recommendation that *“the Gambling Commission should ask all operators to review safe staffing levels. Larger operators should be required specifically to address staffing levels and safety (of employees as well as players) in their annual assurance statements.”*
- 1.2 The safety and security of betting shop staff and customers are of paramount importance. Together with the Metropolitan Police, Community Union, Crimestoppers and the Institute of Conflict Management, the ABB developed additional policies to ensure crime remains low in betting shops.
- 1.3 The Safe Bet Alliance (SBA) sets out best practice for betting shop operators to minimise the potential for crime. Alongside this, betting shops in many areas are part of local business crime reduction partnerships, or bespoke Betwatch schemes. In either case, information is shared quickly between betting shop staff and the local police with regards to any incidents that do occur.
- 1.4 The Safe Bet Alliance’s success in reducing and preventing crime has received recognition including:  
  
*2011: Winner - Home Office Tilley Award, for being an innovative crime fighting projects 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*
- 1.5 Official crime statistics from police forces show that betting shops suffer from low crime rates, including when compared to other high street retailers such as newsagents or

convenience stores. Responses to requests submitted under the Freedom of Information Act show that between the 1st April 2016 and the 31<sup>st</sup> March 2017 the number of times the police were called to the following premises because of a crime that occurred within its premises were:

<i>Betting shops</i>	4,933
<i>Newsagents</i>	11,225
<i>Convenience stores</i>	62,109

- 1.6 The pro-active work undertaken by betting shop operators has led to an overall reduction in crime. For example, in London, by working closely with the Metropolitan Police, the number of robberies of betting shops has fallen year-on-year. In 2015, there were 206 robberies of betting shops in London, 155 in 2016 and 115 in 2017. As well as a reduction in the number of robberies, the amount of cash lost in such incidents has fallen from an average of over £2,000 to just £480 by the end of 2017.
- 1.7 Operators also continue to invest in technology and, through their head office security teams, put all possible measures in place to keep colleagues and customers safe. A number of major operators have advanced systems in place to allow their security control centres to listen in to the store or access CCTV remotely when activated by staff in a security alert.
- 1.8 Under the SBA, single-staffing may only occur where a risk assessment has taken place and we are currently working with members to provide more detailed guidance around this. Where it is not deemed suitable for lone working to take place, it does not do so.
- 1.9 All measures relating to staff safety are under ongoing review along with the risk control measures and processes in place.
- 1.10 As of 6th April 2016 new regulations set out by the Gambling Commission require local area risk assessments to be carried out by all betting shops and risk-mitigation measures put in place. Risk assessments include security measures and improvements, physical security improvements and training and effective cash control measures.
- 1.11 We would encourage the promotion of best practice across all sectors within the gambling industry. We will work with the Gambling Commission to examine how staffing levels and the safety of employees and players can be further addressed and kept high on the agenda.

## 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 80 independent bookmakers with shops ranging in number from single shops to over 100 premises. 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 2017, there are 8,502 betting shops in Britain and 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	3370	331	2,372	474

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 publishes a Responsible Gambling Code, compliance with which 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 which includes 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.



# abb

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and money you have spent on  
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## 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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## 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 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 in LBOs meaning that any customer wishing to stake more than £50 on a gaming machine must enable higher stakes play via an interaction with a member of staff at the counter, or move to account-based play where algorithms are used to monitor and interact with customers displaying signs of potential harm.

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 LBOs 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.

#### Player protection measures

The Player Awareness System (PAS) is an algorithm-driven player protection tool in use in LBOs, which was first launched in 2015. PAS analyses the behaviour of those playing on gaming machines when they are logged into a customer account. Customer behaviour across sessions is assessed against a range of markers of problem gambling behaviours, and – where behaviour is identified as indicating harmful play – the customer is sent a responsible gambling alert.

In addition, an Anonymous Player Awareness System (APAS) was developed, trialed and evaluated during 2017. APAS works in a similar way to PAS by assessing play against a range of markers, however APAS uses a set of real-time in-session algorithms which run across all sessions (i.e. 'anonymous' and account-based sessions).

Two phases of APAS were trialed across the same three trial groups – Birmingham, Kent, and Glasgow – during 2017. Phase 2 of APAS built on the learnings of Phase 1 by using new markers based on the latest research (chasing losses and chaotic behaviour).

Following the positive outcomes of both quantitative and qualitative evaluation of the Phase 2 algorithms, operators have agreed to roll-out APAS estate-wide by the end of 2018.

#### 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.

# ESA Retail Footfall & Interview Analysis

November 2016



# Table of Contents

<b>1</b>	<b>Introduction &amp; Methodology</b>
<b>2</b>	<b>Footfall Counts &amp; Frequency of Visit</b>
<b>3</b>	<b>Linked Trips</b>
<b>4</b>	<b>Average Spend</b>
<b>5</b>	<b>Mode of Transport</b>
<b>6</b>	<b>Summary</b>

## 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 23<sup>rd</sup> November – Saturday 26<sup>th</sup> November 2016, 10am-6pm.

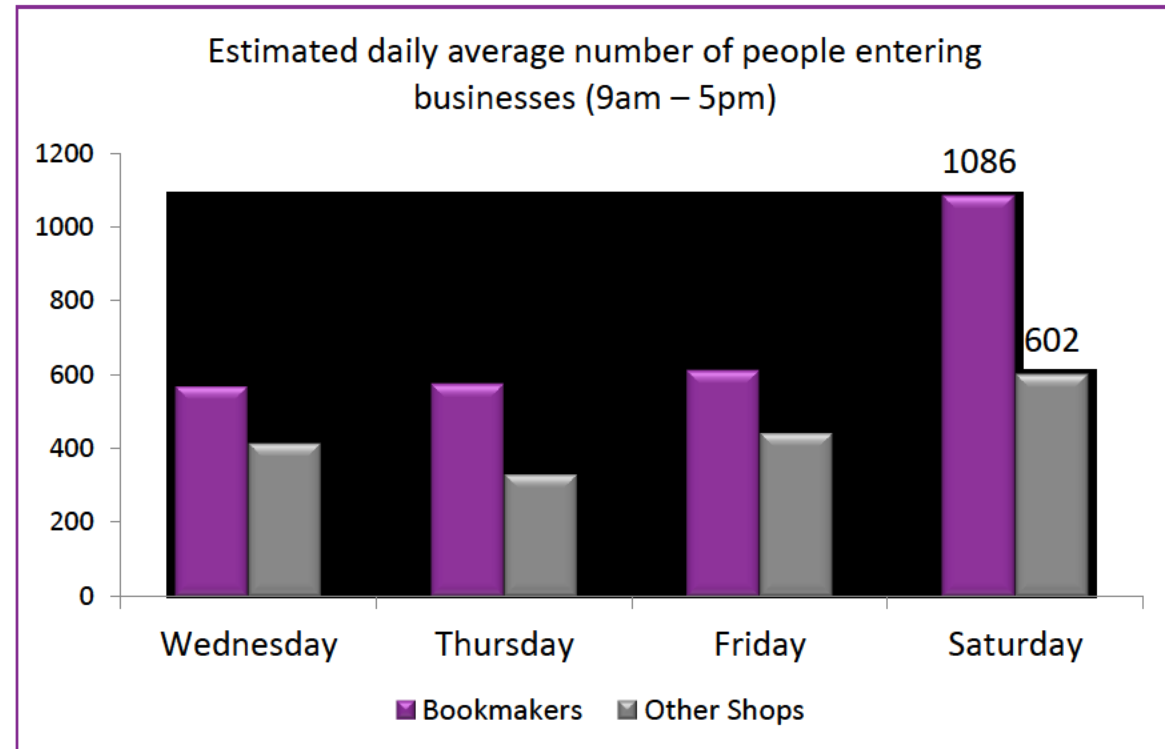
## Footfall

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

Sample:

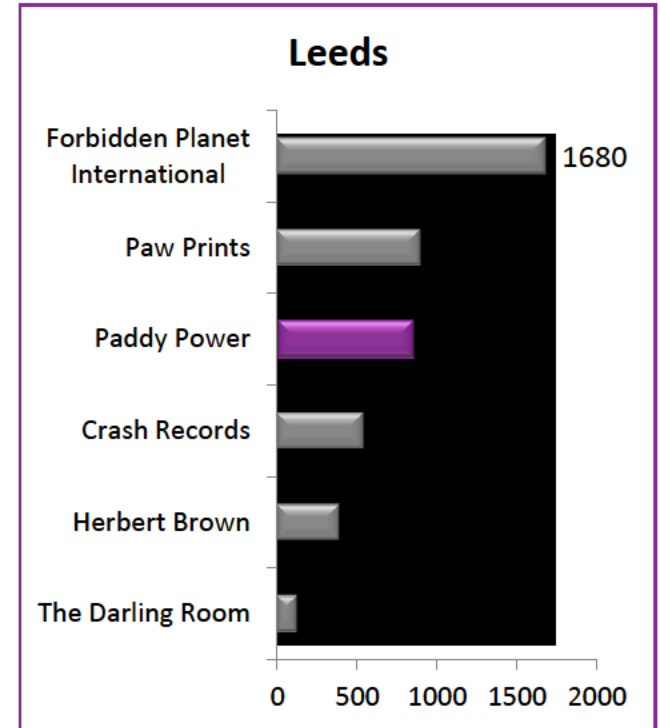
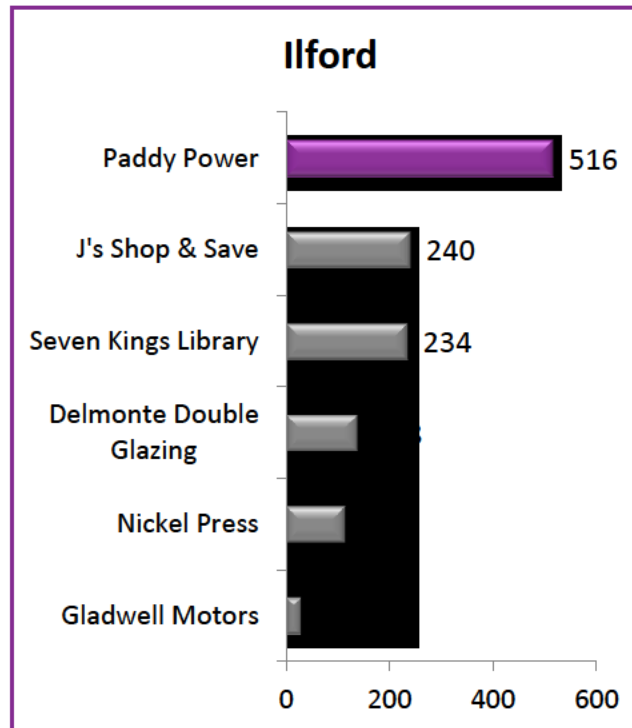
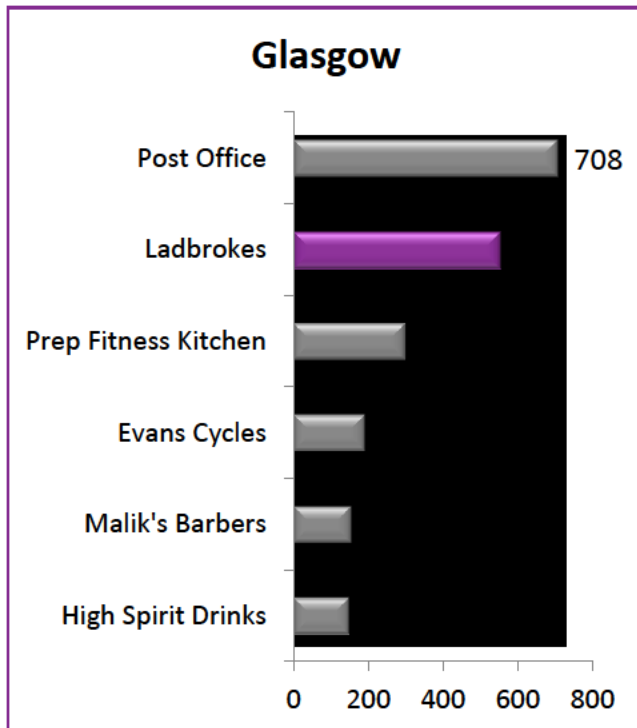
- Counts were conducted at each betting shop, and a mixture of five neighbouring A1 – A3 class businesses.
- Each shop unit was monitored for a 10 minute period in each hour between 9am and 7pm.
- These actual footfall figures were then extrapolated to provide an estimated daily footfall figure for each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



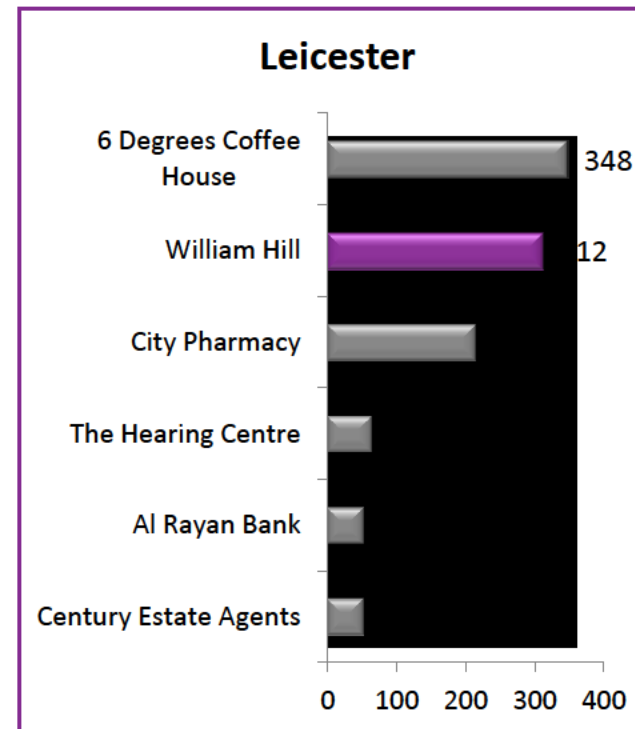
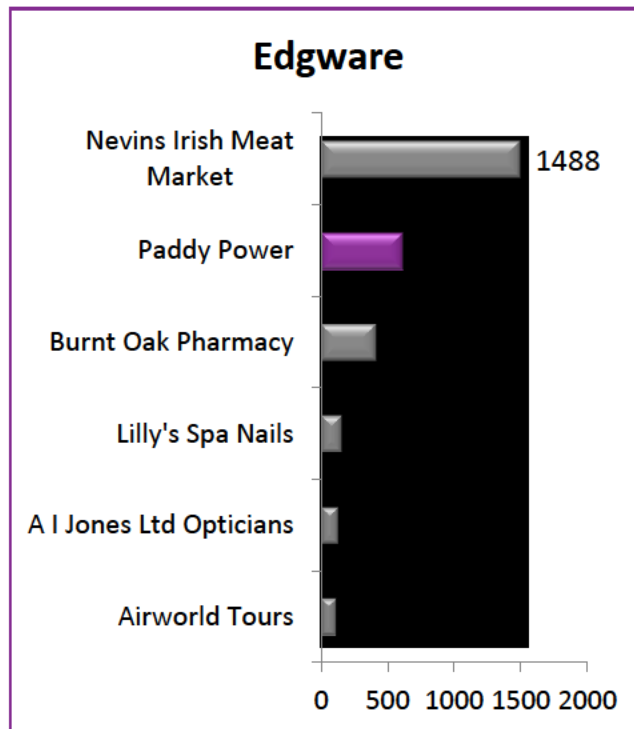
# Footfall Counts by Location

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

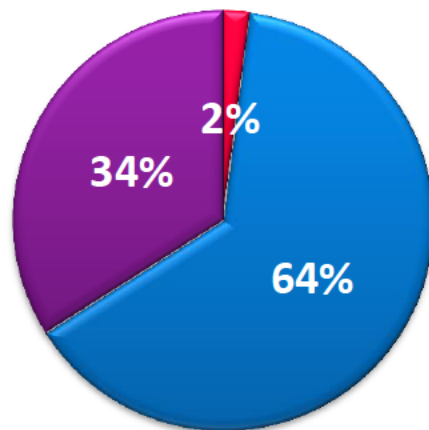


# Frequency of Visit

- 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.

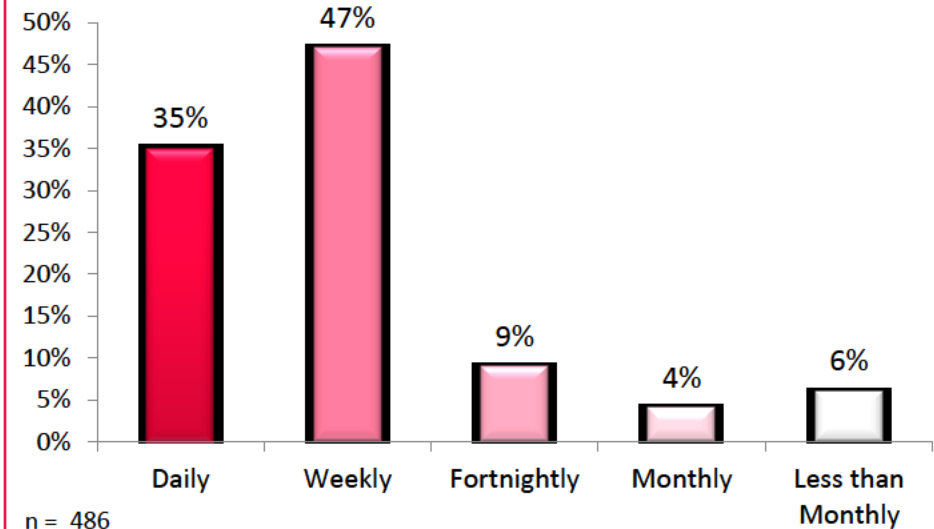
If this bookmaker closed, would you visit this shopping parade?

■ More frequently ■ The same ■ Less Frequently



n = 486

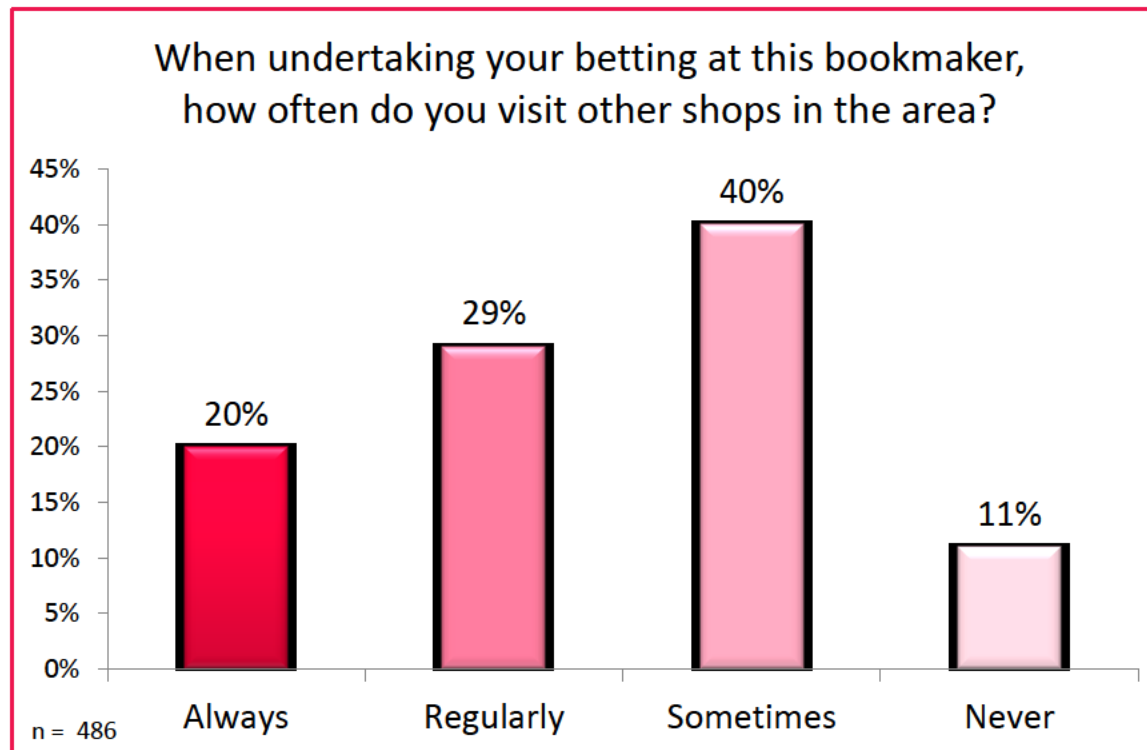
How often do you visit this bookmaker?

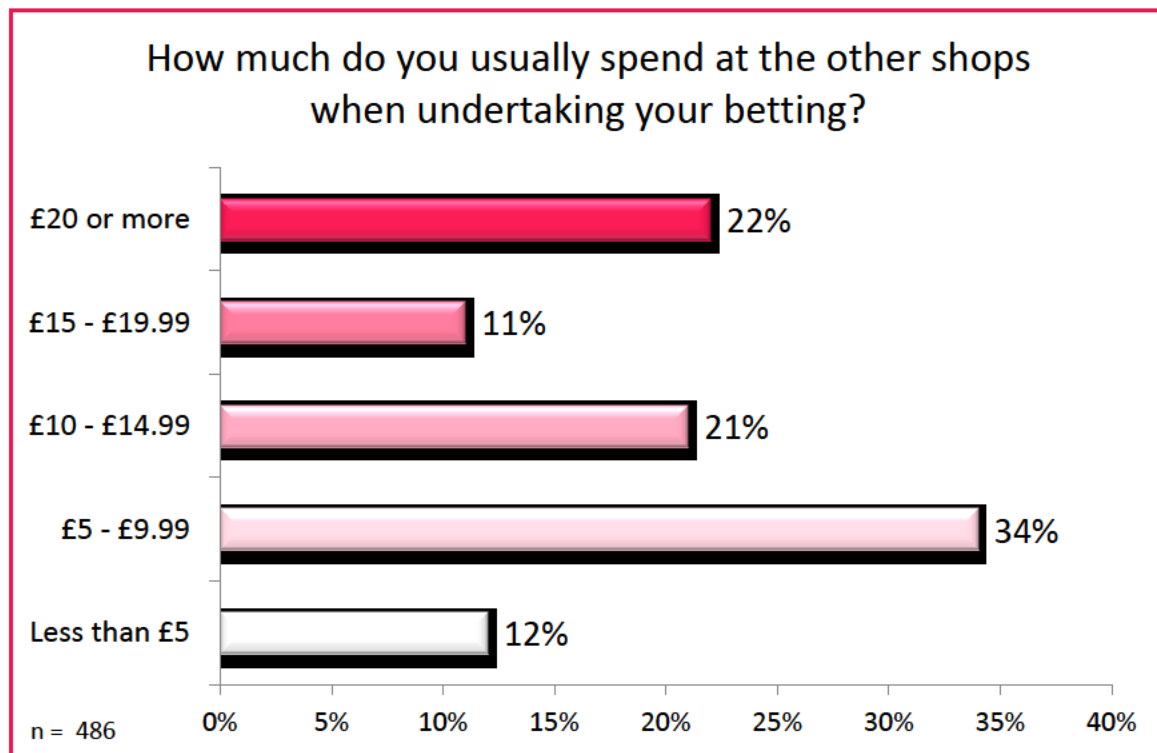


n = 486

- 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.

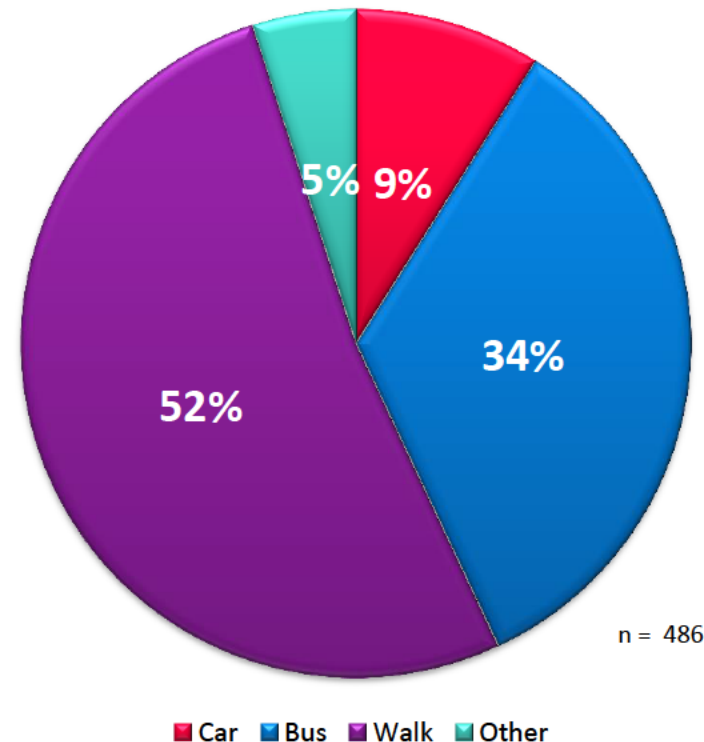




- More than half of all respondents suggested that they usually spend more than £10 in other local shops when undertaking their betting.
- In Glasgow, 39% of respondents usually spend more than £20 in other local shops.
- Only 12% of bookmakers' customers said that they spend less than £5 in other businesses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



## 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 23<sup>rd</sup> to Saturday 26<sup>th</sup> 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



























































































































































































































































































**BETKNOWMORE UK**

**DON'T GAMBLE WITH HEALTH**

**PILOT PROJECT**

Evaluation report for GambleAware

Final: 07 December 2017





# CONTENTS

<b>Executive summary .....</b>	<b>i</b>
<b>1. Introduction .....</b>	<b>1</b>
Background and context .....	1
Evaluation aims .....	2
Methods and evidence base .....	2
The report structure .....	3
Acknowledgements .....	4
<b>2. Overview of the project self-evaluation and monitoring systems.....</b>	<b>5</b>
<b>3. Gambling-related harm in the context of the project .....</b>	<b>10</b>
<b>4. Project activities and processes .....</b>	<b>13</b>
Project outputs at a glance .....	13
Service reach and customer engagement .....	13
Reaching vulnerable population groups.....	15
Systems around staff competence and client safety.....	16
Stakeholder experience of the service .....	17
Key and unique features of the project.....	20
Value for money considerations and increasing efficiency and cost-effectiveness of the service .....	22
<b>5. Project reach and outcomes.....</b>	<b>24</b>
Customers .....	24
Industry and partner organisations and their staff .....	31
<b>6 Conclusions: Scaling up considerations .....</b>	<b>33</b>



## EXECUTIVE SUMMARY

Don't Gamble with Health (DGWH) is a pilot harm-minimisation project based in Islington, north London, delivered by BetKnowMore UK. The team works with high street betting shop staff in the local area to improve their understanding of gambling-related harm, to raise awareness of support available to customers at risk and provide support service to customers who are at risk or are problem-gamblers.

Project monitoring data<sup>1</sup> shows that, since the beginning of the pilot in October 2016:

- 59 licensed betting offices (LBOs) in Islington set up a customer referral process with support from the project team. This number covers all the betting shops in the borough
- 17 DGWH workshops and training sessions exploring gambling-related harm and raising awareness of the service have been delivered
- 112 people, frontline and corporate staff from the booking industry and partner organisations, have been trained
- 95 clients have been referred to the service or approached it independently, drawing on the information available in the local betting shops and other community organisations.

Stakeholder (partner and industry organisations and customers) feedback about the project and the service it offers was overwhelmingly positive. The following features emerged as distinctive about the project and contributing to its effectiveness:

- The project team is highly proactive and go an extra mile to engage their clients and sustain their engagement with treatment
- The team responds rapidly to any referrals and staff try to make the referral process easy for clients
- The project approach is positive and holistic
- The approach is highly client-focused and bespoke to their needs and experiences

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<sup>1</sup> Information provided by the project team on 3 November.

- BKM team works effectively with local partners to identify people at risk of gambling-related harm and offer better support to existing customers through signposting to relevant services
- The project staff have an in-depth and practical understanding and/or experience of gambling-related harm which they translate into tools and resources that underpin their training and support services
- They develop a trusting relationship with their clients which they see as one of the factors that helps customers sustain their engagement and assists their treatment
- The service aims to empower each of their clients and support their recovery through tools that they can then use independently to help them control their gambling behaviour and achieve their own personal goals.

Assessment of the project processes (such as client referral and assessment, staff training, safeguarding) suggests that they are effective overall. During the next stage of the project implementation, the project team needs to prioritise and consistently monitor cost-effectiveness of its work and refine its evaluation and monitoring systems so that the team has the evidence it needs to inform the project's future development.

The available evidence suggests that the project has achieved some impressive outcomes for many of its clients and the majority of its training participants. For example,

- Virtually all participants of the training delivered by the project team observed improvements in their understanding of gambling-related harm and their ability to recognise 'red flags' in customer behaviour. They also reported feeling more confident to assist people with gambling problems.
- The vast majority of the clients who engaged with the service formally considerably improved their ability to successfully manage their gambling behaviour. Such customers who had completed their treatment for problem gambling made particularly impressive progress.

At the same time, evidence of outcomes for customers who accessed lower tiers of support, associated with shorter and more informal engagement, was limited.

The evaluation team's overall conclusion was that the project offers a valuable service for which there is a need.

When considering scaling up, we recommend starting the process by focusing on developing the team capacity, and scoping and partnership building in any prospective new areas. Alongside this development work, the team will be able to test any adaptations to the service with customers in Islington and gather the additional evidence they need to inform the development and growth of the project.



# 1. INTRODUCTION

## Background and context

Don't Gamble with Health (DGWH) is a project based in Islington, north London, which has been running as a pilot since October 2016. The project is delivered by a social enterprise company called BetKnowMore (BKM) UK and is sponsored by GambleAware. The project has two distinct sides to it. The first strand involves the project team working with licenced betting offices (LBOs) staff in the local area to improve their understanding of gambling-related harm and support available to customers at risk. The other strand of the project provides the delivery of support service to customers who are at risk of gambling-related harm or are problem-gamblers.

The project was conceived with the view of improving access to and take-up of support amongst people who experience harm associated with their gambling behaviour. The project team referred to British and international research<sup>2</sup> suggesting that only around 10 per cent of people with gambling problems undergo treatment, whilst the majority of gamblers, some of them with strong addiction symptoms, do not access support. The team said that the main barriers preventing people who could benefit from help to come forward were lack of awareness of support mechanisms, complexity of referral and slow response within some of the existing services and negativity and stigma associated with gambling as common barriers preventing people who could benefit from help to come forward. The team wanted to address these barriers with their project.

Making the project and the service it offers visible to local community members who might need support, via posters, referral cards and training for staff in LBOs became a significant part of it. Over the first year of the project delivery, people at risk were signposted to the DGWH support service by LBO staff through a project-specific referral mechanism and representatives of other local organisations supporting vulnerable members of community, or they approached the team themselves, typically after seeing information about the project in LBOs.

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<sup>2</sup> E.g. Wardle, H., Seabury, C., Ahmed, H., Payne, C., Byron, C., Corbett, J. & Sutton, R. (2014). Gambling behaviour in England and Scotland: Findings from the Health Survey for England 2012 and Scottish Health Survey 2012. London: NatCen; Volberg, R. A., Nysse-Carris, K. L., & Gerstein, D. R. (2006). California problem gambling prevalence survey. Final Report.; Slutske, W. S., Blaszczyński, A., & Martin, N. G. (2009). Sex differences in the rates of recovery, treatment seeking, and natural recovery in pathological gambling: results from an Australian community-based twin survey. *Twin Research & Human Genetics*, 12(5), 425–432; Suurvali, H., Hodgins, D., Toneatto, T., & Cunningham, J. (2008). Treatment seeking among Ontario problem gamblers: results of a population survey. *Psychiatric Services*, 59(11), 1343–1346.

The support service is delivered in tiers.

- **Tier One** – information sharing and signposting to non-gambling services
- **Tier Two** – informal 1:1 mentoring, advice and signposting
- **Tier Three** – structured mentoring, counselling, group, tailored and holistic support
- **Tier Four** – intensive care planning and signposting to other specialist agencies, including residential and intensive interventions.

Tiers 1 and 2 are described as brief interventions. Typically, they take form of informal meetings in neutral places (such as cafes) or phone engagement with people who call the project helpline, usually to share their concerns about their own or their loved one's gambling behaviour. Face-to-face or over the phone, these conversations tend to be bespoke and fully driven by the needs and concerns of each individual client. Tier 3 offers a more structured support through mentoring and group therapy. Tier 4 is dedicated to clients with complex and multiple needs and typically involves counselling support.

## Evaluation aims

GambleAware commissioned Chrysalis Research to carry out an independent evaluation of the pilot phase of the DGWH project.

In accordance with the GambleAware funding requirements for all their harm-minimisation projects, the project team has put in place their own systems for measuring effectiveness and impact of their work. As external evaluators, Chrysalis Research were asked to:

- Conduct a critical review of the monitoring and evaluation systems and measures set up by the BKM team and to provide recommendations about how these can be improved
- Perform an evaluation of the progress and achievements of the project, in terms of
  - developing better understanding of gambling-related harm (GRH), and
  - minimising such harm
- Assess the likely scalability of the project.

## Methods and evidence base

This report draws on a range of primary and secondary evidence. In accordance with the specification for this research, where possible, the evaluation team worked with the evidence gathered by the project team. Specifically, the evaluation team:



- Scrutinised all paper-based client records available during the data collection stage (86 customers in total)
- Performed analysis of the workshop feedback data, collated by the project team
- Examined relevant organisation documentation and policies, specifically those related to keeping customers safe.

In addition to the review of the evidence and documents supplied by the project team, Chrysalis Research carried out a range of interviews to inform this evaluation. These were with:

- The project team – a total of eight group and individual interviews with a range of BKM staff and volunteers, two of whom were former BKM clients
- One local authority representative (licensing team)
- Two partner organisations working with vulnerable clients in the area
- Betting industry representatives – senior staff from:
  - three different major betting shop operators. Interviewee roles included an area manager and two heads of retail compliance.
  - the Association of British Bookmakers.

## **The report structure**

This report comprises six sections. Following the introduction, we offer an overview of the project evaluation and monitoring systems. Understanding the nature and quality of the existing evidence is also essential to put the remainder of the project findings into context. Further observations about the evaluation and monitoring systems are included throughout the report to ensure clarity and specificity of the points being made.

Next, we consider the concept of GRH, as it is perceived and understood in the context of this project.

The two sections that follow provide an overview of findings related to effectiveness of the processes and project outcomes to-date.

The report concludes with a discussion about scalability of the project.

## **Reporting note**

Throughout this report we present percentages rounded to the nearest whole number. This sometimes means that totals can appear to be one or two percentage points out. For example, the sum of 55.4% and 44.4% would appear as 55+44=100, since 99.8 rounds to 100.

## **Acknowledgements**

Chrysalis Research would like to thank the project team for all their support during the data collection stage and for their willingness to open their systems and data to external scrutiny.



## 2. OVERVIEW OF THE PROJECT SELF-EVALUATION AND MONITORING SYSTEMS

**In this section we provide an overview of the project evaluation and monitoring systems, as reviewing this was one of the evaluation aims.**

BKM collects a lot of evidence about its clients and their treatment process but the monitoring and evaluation data collection has been affected by two factors that limit its effectiveness at this stage:

- **Evidence** captured for each individual client is often **determined by the nature and level of their engagement**. The project team is aware that completing forms can be negatively perceived by customers (and available project and wider evidence supports this view) and can lead to disengagement if done prior to building trusting relationships. This results in little evidence being available about Tier 1-2 clients whose engagement with the service is typically brief. Equally, the sheer nature of the service means that clients can ‘disappear’ half way through the treatment process. This can happen for a variety of reasons (one of which is the success of the treatment meaning clients see no further need to continue with it), this is usually beyond the project team’s control. All this can lead to incomplete client records and make monitoring impact and effectiveness of the service problematic.
- There has been **continued effort to refine monitoring and evaluation systems throughout the pilot year**. Whilst this has led to some undeniable successes (e.g. direct feedback from clients about their experience of the programme now being captured via BKM’s own forms, 2B and C), the process has also resulted in multiple instances of parallel forms and data capture instruments being used, making any cross-project analysis difficult, time-consuming and in some cases not possible.

As soon as a client is referred to BKM, their contact details are recorded and their paper-based file is opened. Gradually, assessment and then subsequently monitoring information is added, accompanied by mentor or counselling notes of all meetings and other communications with the client. These are added to the client file on an ongoing basis, usually immediately after a meeting or remote exchange with the client.

## Background information about clients

Fairly detailed background information, covering aspects such as age, gender, ethnicity, employment and income, gambling history, habits and preferences, was captured for virtually all clients involved in more structured support (Tiers 3 and 4) but was rarely available for Tier 1 and 2 clients.

Where background information was captured, it was gathered through different forms (BKM initial referral form and forms 1A and B, RGT DRF, GAST-S) which created instances of evidence duplication or conflicts as far as individual clients were concerned and made amalgamation of evidence across the entire client base complex or sometimes impossible.

## Outcomes data

Two types of outcomes were fairly consistently tracked by BKM team – those related to **gambling behaviour** and clients' **emotional and mental health**.

PGSI (problem gambling severity index), usually in its fuller (nine questions) form, is used at the assessment stage with Tier 3 and 4 clients and then one or more times (depending on each clients' engagement with their treatment) during, at the end of and where possible after the treatment. All PGSI records are kept in the client file and used for progress summary in the BKM Aftercare Form where this is completed.

Core-10, a brief assessment and outcome measure, widely used in the evaluation of counselling and the psychological therapies in the UK, has been adopted by BKM team to monitor their Tier 3 and 4 clients' emotional and mental health and wellbeing. The tool is designed to gauge the clients' state with regards to for example anxiety, depression, trauma and everyday functioning.

Unlike the PGSI score which appeared to be the only universally used assessment and measurement approach used across all clients, there were several instances of alternative instruments being used to assess the state of client mental health. Examples of these included the APT anxiety scale and Mood-Depression Assessment questionnaire. These were typically used for Tier 4 clients by their counsellor and their use was understandable and justified from the point of view of the individual client treatment, but it created instances of incomplete datasets across the programme as they were used instead of Core-10.

Despite the consistency with which PGSI and Core-10 were used in assessments of client outcomes the timing when the measurements were taken makes the dataset less reliable. For example, for some clients there were instances of weekly or fortnightly assessments using both or one of the forms, for other clients there were only two assessments, captured six or more months apart. In



some instances, the differences in timing were explained by the course of a client treatment. For example, a client might disengage and then reengage with the treatment several weeks or months later and successfully complete it. Within this evaluation, every effort was made to ensure client datasets were directly comparable (i.e. measurements were taken at similar points – beginning, mid-stage and end of their treatment). Nonetheless, it is important to state that there were some ambiguous records, for example, when not all the outcome assessment tools in the file were dated.

There were many other positive outcomes for clients, which were occasionally visible in mentoring and counselling notes and emerged during project team and other stakeholder interviews, but these were not captured systematically. There were some instances of missed opportunities, for example, some aspects of the GAST-S tool, frequently used by the project team at baseline stage, could also be used towards the end of the treatment to gauge distance travelled. More recently, attempts were made to assess (via BKM form 2B in particular) client outcomes in a range of areas, including mental, physical and financial wellbeing, education and employment. This represents a move in the right direction but the form itself needs revising as it can be misinterpreted. Specifically, 'affected' appears to be interpreted both positively and negatively by the clients who completed it. The phrasing in the form is also unnecessarily conservative, asking clients to assess whether their experience of gambling-related harm deteriorated during the treatment period (e.g. 'During the mentoring programme gambling has put me in debt'), and making it difficult to capture improvements (e.g. 'By taking part in the programme I have been able to pay off some of the old debts') in their state, behaviour and perception of themselves.

## Process data

Overall, there was less emphasis on process data within the project evaluation and monitoring systems compared to outcomes data and where this was collected, this was relatively recent meaning the evidence set was still small.

Lack of useful process data might come across as a bit of a surprise, given how detailed mentoring and counselling notes are. What they tend to capture however is client experiences between the sessions and their emotional and mental (and some cases also physical) state during the session. In mentor /counselling notes or otherwise, it was rarely possible to see what strategies or tools worked well at supporting improvements in reducing gambling-related harm. Absence of this kind of process data creates two interconnected challenges that need to be addressed going forward:

- It makes attribution of impact to the service difficult. This is because a number of clients receive support from multiple agencies. For example, there was evidence of one client attending Gambling Anonymous groups at the same time as benefitting from structured support from the project. It is also important to acknowledge individual clients' own ability to overcome their

addiction and control their behaviour. Therefore, if there is a noticeable improvement in client PGSI but no evidence explaining what had helped the client gain control of their gambling behaviour or evidence of client explicitly linking improvements to BKM service, attribution of such improvement to DGWH project is far from straightforward.

- It makes it virtually impossible to adapt the service, including improving its efficiency, in an evidence-informed way. For example, in order to decide which elements of the service are essential and which can be reduced or removed to increase efficiency and cost-effectiveness, it is essential to know what truly helps clients and makes the service distinctive and what is a 'nice to have', i.e. non-essential, and /or an element of the programme that can be better performed by other organisations or parallel services.

Overall, BKM collects a wide range of monitoring and evaluation evidence, some of it very detailed. It is important to note that the bulk of the available evidence is consistent with the results-based or outcomes-focused approach to evaluation and monitoring, which is widely recognised<sup>3</sup> as superior but also a lot more challenging to put in place. Alongside these achievements, there is a small number of aspects of the project (Tiers 1 and 2 of the service in particular) where until now evidence collection focused mainly on inputs and outputs. Assessing outcomes for customers accessing service informally and for a brief period of time is notoriously difficult and is a challenge for many services and charities offering such support. Nonetheless, the project team should develop appropriate data collection mechanisms for gathering evidence of outcomes for Tier 1 and 2 customers so that there is a clear picture of impact of the project on *all* the customers who access BKM support as part of the project.

Similarly, there are some instances of inconsistencies in data collection. Most of these are understandable for a new and constantly evolving service, but they need to be addressed prior to scaling up the approach to other geographical areas.

To improve service monitoring and evaluation systems, going forward, we recommend:

- **Developing** a fit-for-purpose and appropriate **approach for capturing outcomes data for Tier 1 and 2 clients**. This might take form of asking 1-2 questions at the end of the initial phone conversation with a client or asking their permission to follow up electronically with a short feedback form. Viewing the initial meeting or phone conversation as a stand-alone instance of support and gathering evidence about it is essential, given that this is the point where many clients decide that they have received all the information they need and disengage from further support. Important to emphasise here that data collection tools used with Tier 1 and 2 clients should be appropriate to the level of support offered. They might for example capture

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<sup>3</sup> E.g. Kuzek, J. & Rist, R. (2004) Ten Steps to a Results-Based Monitoring and Evaluation System. – Washington, The International Bank for Reconstruction and Development /The World Bank.



improved awareness of risky behaviours, awareness of support available or improvements to clients' wellbeing linked to feeling listened to and understood.

- **Determining precise points** when **assessment** tools are used. These should not be too close to each other. Frequent measurements can lead to poor quality data due to research fatigue amongst clients and they take up valuable time during and after sessions with clients. The intervals between assessment points should be realistic in terms of clients being able to change their attitude and behaviour. They should also take into account the number of sessions within this period during which a client is offered support, i.e. its intensity. In addition, care should be taken when using some of the tools, particularly doing so frequently. For example, frequently using Core-10 which contains questions about suicidal plans, might be detrimental to client emotional health and wellbeing.
- Wherever possible, **using the same forms and scores across all clients** to capture evidence about particular outcomes. BKM has been gradually moving towards developing their own forms, following a period of trialling various off-the-shelf alternatives, and this should be further encouraged. The team should decide what data they need and agree on the tools that would capture it most effectively.
- Capturing **other outcomes** for clients in a systematic way. Given that these might differ between clients, it might be helpful to use an adaptive system, first determine the relevant areas of impact for each client and then perform a further assessment to determine its extent.
- Ensuring that some of the evaluation tools focus on gathering useful **process data**. This might be clients commenting on the extent to which the service supported specific improvements in their state and behaviour and scoring specific elements of the service in terms of their relevance and usefulness.
- Prior to introducing new tools and systems, **reviewing existing ones to spot redundant, duplicate or irrelevant data**. The associated data collection tools can then be removed to create staff capacity and client time to gather new /additional evidence.
- Gradually **digitising client records**. This would simplify monitoring across clients, would correct simple errors such as undated records or incorrect calculations of scores.

As monitoring and evaluation systems are one of our research foci, we provide further insight related to their specific aspects in the relevant sections of this report.

### 3. GAMBLING-RELATED HARM IN THE CONTEXT OF THE PROJECT

**Building the evidence and analysis presented in the interim evaluation report, this section offers an overview of the evidence about gambling-related harm as it is experienced by the project clients.**

The interim evaluation report (submitted on 29 September 2017) articulates in some depth how gambling-related harm can have multiple manifestations. For example, one of the core pieces of research in this area<sup>4</sup> identifies eight domains of gambling-related harm – health, emotional or psychological distress, financial, performance, relationship, criminal activity or neglect of responsibilities, cultural and life course (generational and intergenerational) harms.

It is clear from the available evidence that in their work, the project team encounter the full range of these manifestations and they attempt to mitigate as many of them as possible. Yet, it was the (perceived) inability of clients to control their own gambling, and the state of their mental and emotional health and wellbeing that have emerged as the main types of harm that the project is trying to target.

Below we provide a brief overview of the level of harm that is experienced by clients with regards to these two parameters at the time when they access the DGWH services.

#### **Ability to control gambling behaviour**

The initial PGSI assessments indicate that the vast majority of the customers for whom such assessments were completed could be classified as problem gamblers as their PGSI scores were well above the score of eight. The level of severity is high, with the average score being 22.

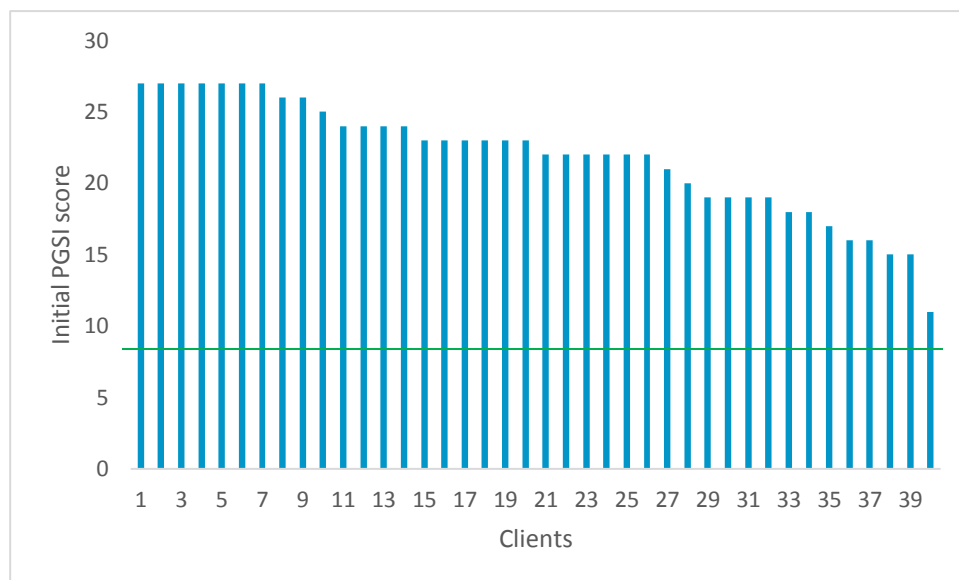
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<sup>4</sup> Browne, M., Langham, E., Rawat, V., Greer, N., Li, E., Rose, J., Rockloff, M., Donaldson, P., Thorne, H., Goodwin, B., Bryden, G. & Best, T. (2016) Assessing gambling-related harm in Victoria: A public health perspective. Victorian Responsible Gambling Foundation, Melbourne.



**Figure 1: Distribution of the initial PGSI scores across the project client base**

Source: Full PGSI assessments across all tiers; base 40.



The specific elements of the PGSI score that emerged as highest across the entire client base were around customers recognising they had lost more than they could afford, them feeling guilty and acknowledging that their gambling was problematic.

Additional evidence captured by the project team reveals that at the time when they are referred to the project, many customers gamble every other day or more often. They spend a considerable amount of time gambling and lose a noticeable proportion of their income. The vast majority of those who completed the relevant forms stated that they felt unable to control their gambling behaviour and that their urges to gamble were too strong for them to cope with.

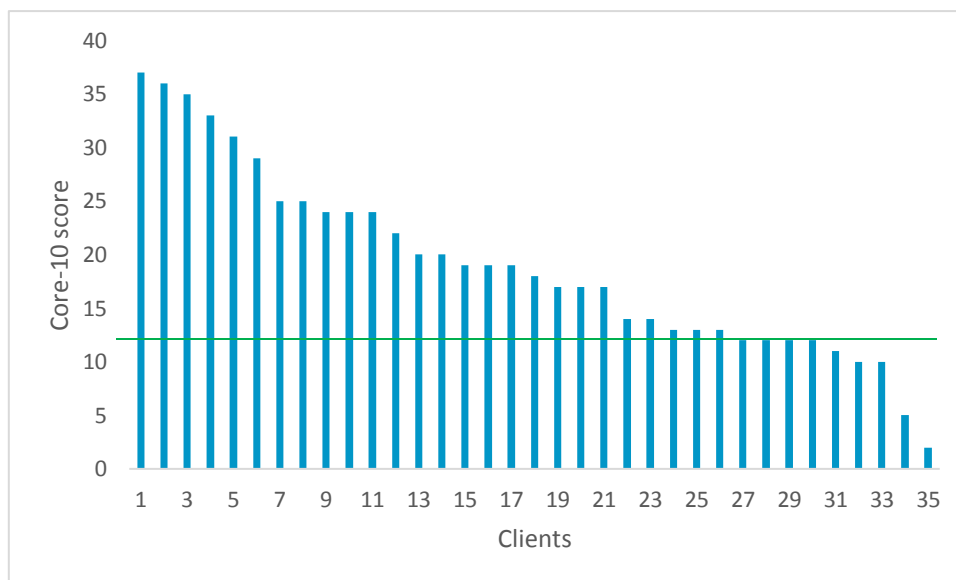
### Mental and emotional health and wellbeing

Many customers were in a state of distress or despair when they first approached the service or were referred to it by for example betting shop office staff. For some clients, such state was caused by the sheer amount of money they had lost (for example their entire months' wages) or the importance of the money they had lost (money reserved to pay the rent or buy their child's birthday present). It is often at this point of distress and despair that people with gambling problems decide to ask for help and access support.

More in-depth assessments (Core-10 scores) revealed additional and more serious health and wellbeing concerns for customers. The average score was 19 and the vast majority of scores were well above the 10-11 mark which is when a client is considered to be healthy or in a low level of distress. Scores above 25 indicate severe distress and are often linked with complex health issues.

**Figure 2: Distribution of the initial Core-10 scores across the project client base**

Source: Core-10 assessments across all tiers; base 35.



Overall, with the initial assessment practices being relatively strong, the project has been contributing to developing better understanding of gambling-related harm. To further enhance this, and to enable the team to use their evidence to better match levels of treatment, specific strategies and tools to clients, the project team should also be systematic about capturing fine-grained and specific *descriptive* evidence of harm being experienced by clients, particularly those treated informally (Tiers 1 and 2). Such descriptive evidence should be gathered alongside PGSI and Core-10 data, or where these are not possible for clients engaging informally, as a minimum level of evidence gathered about this dimension of the project.



## 4. PROJECT ACTIVITIES AND PROCESSES

**This section explores the effectiveness of the project processes.**

### Project outputs at a glance

According to the project monitoring data, since the beginning of the project in October 2016:

- 59 LBOs in Islington set up customer referral process with support from the project team. This number covers all the betting shops in the borough.
- 17 DGWH workshops and training sessions exploring gambling-related harm and raising awareness of the D service have been delivered.
- 112 People, frontline and corporate staff from the booking industry and partner organisations, have been trained
- 95 Clients have been referred to the service or approached it independently, drawing on the information available in the local betting shops and other community organisations.

In addition, the project team has been working on developing partnerships with organisations in the borough that support clients who might be experiencing gambling-related harm so that they can be signposted to the service or those who can provide additional support to DGWH clients, for example around housing, debt management, mental health issues, drug or substance abuse.

Recent additions to the service also include a workshop programme and drop-in sessions for clients. A support offer for 'affected others' is currently being developed.

### Service reach and customer engagement

#### Referral

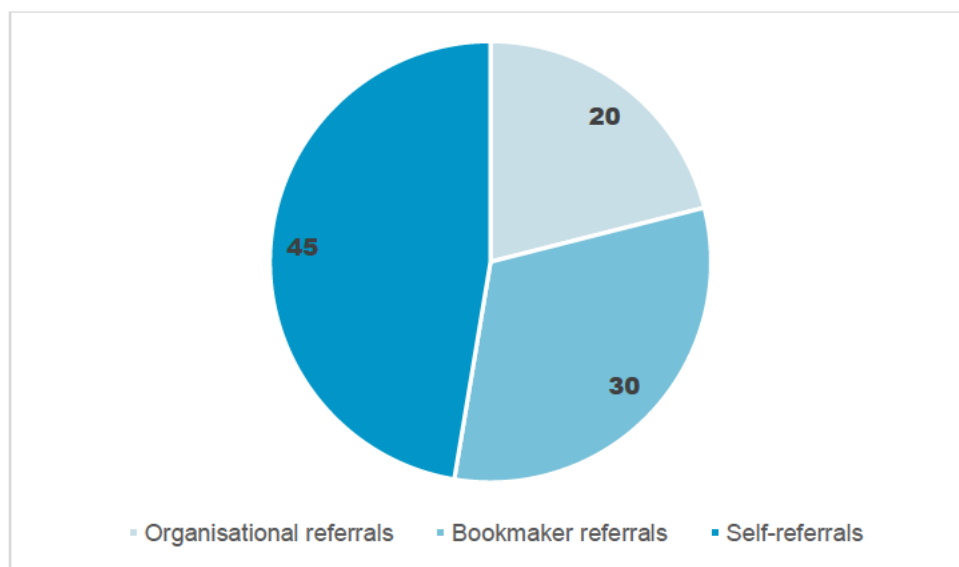
As indicated above, the project team has been working with all betting shops in Islington and a referral process is now in place. Similarly, partnerships with other local organisations, such as SHP

(Single Homeless Project<sup>5</sup>) and iCope (Islington Psychological Therapies and Wellbeing Service), have led to new clients being identified and referred to the project.

The current customer base referral distribution is presented in Figure 3 below.

**Figure 3: Customer referral breakdown**

Source: BetKnowMore monitoring information (3 November 2017); base 95.



### Speed of referral

The project team have a target to respond to calls, to collect the referral cards and make an initial contact with customers within 48 hours. It was not possible to verify whether this was achieved in all cases. The team's monitoring processes indicate that 48-hour response rate was achieved in all instances of client (self) referral. Analysis of the client records generally supports the statement about the speed of response from the team. There were multiple examples when the team were able to initiate a discussion with a client, including setting up a meeting in the area, within hours and sometimes minutes, following a referral. Documentary analysis suggests, that in most cases, the initial assessments were performed within 1-2 days from the date indicated on the referral card. In other cases, it was clear that the initial conversation (for example over the phone) was near instant, but the assessment meeting took place several days later. At the same time, not all clients were referred via a referral postcard which meant that it was not possible to verify the speed of the team's response in these cases.

Overall, there was no evidence across the entire dataset suggesting any delays in response to referrals and there was a lot of positive evidence indicating prompt response from the project team.

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<sup>5</sup> <https://www.shp.org.uk/>



## Reaching vulnerable population groups

Given that there is a lot of evidence about gambling-related harm affecting particularly strongly some of the more vulnerable members of the society, consideration needs to be given to the extent to which the service is reaching such customers.

Due to the informal nature of their engagement with the service, little information about background characteristics of Tier 1-2 clients, particularly those who engaged with the project in its early stages, was available. There was only a handful of records that were sufficiently complete to enable analysis so it is not possible to represent the complete picture of the project clients and their needs. Instead, we will summarise some key patterns in the data related to Tier 3 -4 clients and those who enrolled very recently.

- **Five** out of 34 clients for whom records were available were in **supported accommodation or at risk of becoming homeless**. Furthermore, a similar number lived with friends, not having a home of their own.
- Out of the 26 clients for whom information about their employment was available, **nine were not in employment**. Five were unemployed and four were in receipt of benefits due to a long-term illness.
- Out of 37 clients for whom the relevant information was available, **16 had mental health problems**, most typically anxiety, stress and depression. There were several clients with personality and bipolar disorders.
- **10** out of just under 40 clients for whom the relevant information was available had a history or were recovering from **substance and/or alcohol abuse**.
- **Four** out 37 clients had a history of **breaking the law in the past** (linked to gambling or substance abuse).

### Client case study 1

The client was referred by a partner organisation called New Horizon.

The client has been gambling for four years, since he was 18. He feels that his gambling behaviour has caused a lot of damage to his relationships with family and friends. He is currently homeless. Lost his job due to gambling and is currently unemployed, with several thousand pounds' worth of debts. Some of the money is owed to loan sharks. He has been diagnosed with anxiety and paranoia; there is a risk of mental health degradation due to cannabis. He is not eating properly which risks affecting his physical health.

Most of DGWH clients are men, as is to be expected for a project focused on betting shops' customers, with only a few women taking up the support offer, some of them as 'affected others'. The client base is very diverse as far as ages and ethnic background are concerned.

Even though incomplete due to the nature of the available evidence, the brief analysis presented above indicates that the service does reach and support some of the most vulnerable members of the society. Yet, many of the people whom it supports are those who have not yet attracted attention of health, social or similar services. They are people in employment, in a relationship or with families, etc. Yet, many of them risk becoming vulnerable as they struggle to manage the consequences of their problem gambling, gradually or rapidly moving towards a crisis point.

Whilst incomplete in terms of all customer records having the relevant information, there is quite strong evidence that the service engages large numbers of people who had not previously considered asking for help to positively change their gambling behaviour. Most of them had tried – unsuccessfully – to tackle their problem gambling and its consequences on their own.

#### **Client case study 2**

The client, now in his thirties, has been gambling for 12 years. He is in full time employment. He lives with friends. Currently in treatment for substance abuse (cocaine).

It took a few years till he was able to admit a problem but hasn't been able to stop. Mounting debts and desperate to stop, though still sees gambling as a way to make money. He is ready to stop and has accepted the need for support.

## **Systems around staff competence and client safety**

The project team is fully committed to ensuring client safety and offering them the highest standard of service. As an example of this commitment to quality and high standards, when launching their mentoring service for example, the team went through an accreditation process with NCVO and received the approved provider standard.

*[As far as we are aware], we're still the only organisation in the UK that has [this accreditation] for gambling support. To achieve it, we had to go through a process of self-assessment, reflection on our working practices, ensuring that our policies were in place, all our systems were in place. That was a really important process for us.*

**DGWH project team member, BKM**

The process of self-evaluation and improvement of systems and policies is ongoing. For example, work is currently underway on refining policies around suicide prevention and introducing new procedures on adult safeguarding. Staff receive training around potential risks and safeguarding



issues, including from external specialist organisations. All staff have to have a Disclosure and Barring Service (DBS) check in order to be allowed to work with clients.

An extensive, project-specific training programme has been put in place for the network of volunteers that has been growing around the project, to support its client and community work.

## **Stakeholder experience of the service**

According to the partner organisation and industry interviews carried out by the evaluation team, and the analysis of the feedback about the training and – increasingly – service for the customers, captured by the project team, all these stakeholder groups' experiences of the service have been extremely positive.

### **Customers**

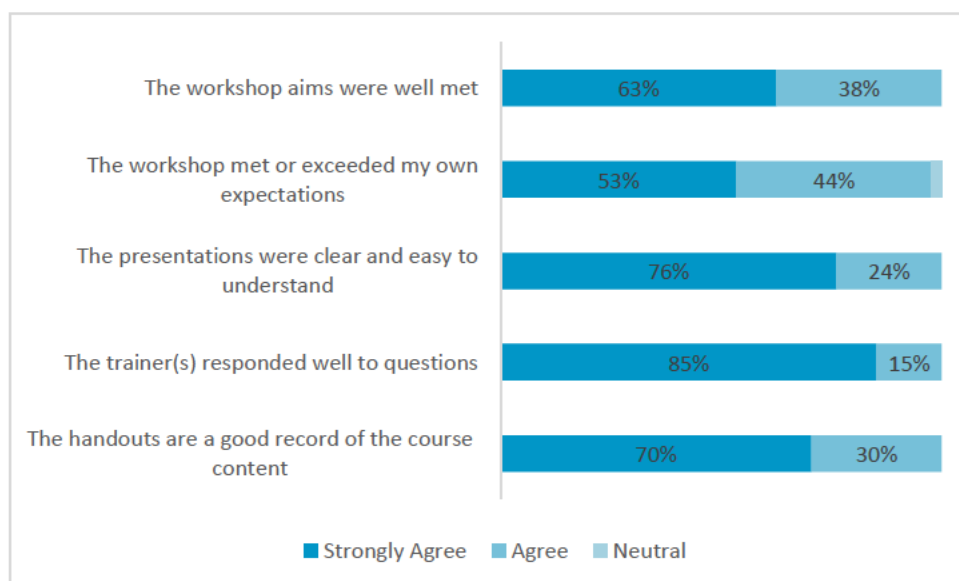
BKM only recently started collecting customer feedback about the service and support they have received, when they have completed their treatment. All the clients who provided such feedback (10 people in total) stated the programme was highly effective in helping them gain control over their gambling behaviour. They highlighted that staff were always there when they needed support, they were 'good at their jobs' and kept them motivated and informed about their treatment. The clients rated their experience of the treatment as positive. All the clients who provided their feedback said they would recommend the programme to others.

### **Workshop training participants**

Workshop participants feedback was similarly universally positive about their experiences of the project, as Figure 4 illustrates.

**Figure 4: DGWH workshops – participants feedback<sup>6</sup>**

Source: BetKnowMore workshop evaluation forms; base 88.



All participants stated that the workshops met their aims and expectations, praising the clarity of the presentation, quality of the session facilitators and presenters and quality of materials in particular. In their comments, the training participants consistently described as ‘informative’, ‘illuminating’, ‘insightful’ and ‘valuable’. Some of them referred to it as ‘unique’.

*A very good workshop and insight into a potential gambler’s mind.*

**DGWH training participant**

Case studies and real-life accounts of people experiencing gambling-related harm were identified as a potentially powerful aspect of the training.

*Hearing [a volunteer, former project client] speak about [their] personal experiences with gambling was a big eye-opener. I think having this incorporated into the workshop really helped in seeing the other side of gambling.*

*It was great to hear first-hand experience. It allows me to get a deeper understanding of how a customer with a problem thinks, which will help me review policies and procedures from their point of view.*

**DGWH training participants**

Analysis of participants’ comments about possible areas for further improvement reveals that the majority of those who left comments would like to have longer sessions or more of them, focusing on gambling-related harm and helping customers at risk. Other suggestions included requests for

<sup>6</sup> At the beginning of the project, a different workshop evaluation form was used. It was not possible to merge the data captured through the two different forms, so only feedback captured through the later form was included in the analysis presented in the chart.



the resources to be emailed to participants electronically and suggestions about simplifying some of the terminology being used in the session. One participant commented that the views of those working in the industry should also be surfaced during the session to ensure a comprehensive overview of gambling-related harm and how problem gambling affects people.

## **Industry and partner organisations**

Similar to previous stakeholder groups, local authority, industry and partner organisations' representatives were unanimous in their praise of the project, commenting on both the training being offered to them and their staff, and the service for people experiencing gambling-related harm that was at the heart of the project.

*Staff were impressed with the practical approach and with the BKM team's knowledge of the industry. Sometimes you get a counsellor who has never seen inside of a betting shop and doesn't really know what it's like. BKM was very different. But it's not just the training offered to our staff, it's the support service behind it that is the most important part of it all. BKM can see people quickly, they can have those conversations in the right forums and in the right way.*

### **Head of Retail Compliance, one of the major betting shop operators**

Reiterating many of the favourable comments provided by their staff, the interviewed industry representatives also spoke about the positive and balanced attitude – to customers with gambling problems and to the industry – that characterised the project approach as something that they found particularly helpful.

*I've been to training [focused on responsible gambling issues, delivered by other organisations] and you walk away from those trainings feeling 'I ruin all these people's lives, our industry's awful and so on'. BetKnowMore take a more [holistic and balanced] approach. They're not trying to say you people are awful or anything like that. Their approach doesn't just look at the gambling problem, it looks at why people have got a gambling problem. It recognises that sometimes it isn't a case of stopping [people gamble] altogether, but it's a case of helping them control it, and it seems like they respond to people that need the help a lot quicker.*

### **Area manager, one of the major betting shop operators**

When reflecting on potential further development areas, betting shop operators spoke about the need for advanced notice prior to any staff training so that they have sufficient time to put in place cover for multiple colleagues. Another consideration expressed by all three interviewed industry representatives was around staff turnover within their organisations, meaning continuing need for new training opportunities for staff, as well as refresher sessions for previous training participants. Overall, all operators wanted to be in a position to deliver subsequent training internally, drawing on BKM resource, practical knowledge and harm-minimisation expertise.

## Key and unique features of the project

The available evidence suggests that there are a number of features which, taken together, make the DGWH project effective. They also distinguish it from other similar or parallel projects and services.

These features are:

- The project team are highly **proactive and go an extra mile to engage** their clients and sustain their engagement with the treatment. For example, the project team go to their clients rather than expecting their clients to come to them for an initial meeting. Typically, this means meeting clients at a place that is most suitable for them, but can also mean, according to a partner organisation interview respondent, going to customer homes which have rat infestation issues.
- The team **respond rapidly** to any referrals and try to make the referral process easy for clients.
- The project approach **is positive and holistic**. To help deal with the stigma and shame often linked with gambling, within the project it is viewed and presented as a lifestyle choice and health issue similar to for example drinking. When people can engage in both these activities in appropriate and well-managed ways, they do not lead to harm and are socially acceptable.
  - The positive nature of the approach is also visible in the service offering suitable alternatives to problem-gambling activity. Consistent with many modern behaviour change theories, this means that in order to sustainably remove or minimise a negative behaviour feature, people need to have a positive alternative. Within the context of the project, this might be about helping a client to fill up the time previously occupied by gambling with new activities, enjoyable to the individual and contributing to their wellbeing, e.g. music-making or sport participation.
  - The holistic nature of the approach is also manifested in the team trying to assess what, alongside gambling, negatively affects their clients' wellbeing and support them in addressing that. Such issues are diverse and personal to each client. Examples include loneliness, unemployment or accommodation that is inconsistent with healthy living.
- The approach is highly **client-focused and bespoke** to their needs and experiences. This might mean that anything from the content of the mentoring sessions, to where and when they take place, to the signposting and information that is given to them is individualised and unique to the client.
- BKM team **works with local partners** to identify people at risk of gambling-related harm and offer better support to existing customers through signposting them to relevant services.



- The project staff and volunteers that support them have an **in-depth and practical understanding and/or experience of gambling-related harm** which they translate into tools and resources that underpin their training and support services. Not only does this make everything they do feel authentic to all stakeholders, it also helps them build rapport with their clients. For some customers, feeling so desperate that they are unable to believe that their situation can change for the better, members of staff who have been able to successfully overcome their gambling problems become an inspiration and a real-life embodiment of what is possible.
- Mentors and other staff develop **a trusting relationship** with their clients which they see as one of the factors that helps customers sustain their engagement and assists their treatment.
- The service aims to **empower** each of their clients and support their recovery through **tools** that they can then use independently to help them control their gambling behaviour and achieve their own personal goals.

It is important to note that the bulk of the evidence that underpins and supports the above-mentioned features comes from the project team and partner and operator organisations staff (both at the level of corporate colleagues and those who work in LBOs).

At the same time, there is little feedback from *clients* about effectiveness of the different elements and features of the service. For example, one of the recently introduced monitoring and evaluation forms (BKM 2B) attempts to gauge just that, but the nature of responses indicates that greater degree of support for respondents, for example through prompts, or differently framed questions are needed to isolate the 'active ingredients'. For example, the most common response to the question about what helped them get their gambling behaviour under control is 'mentoring'. It is however unclear which precise element of it is meant (it might be the trusting relationship that they have with their mentor, or the frequency and structure of sessions, or the tools being used, etc). In several instances it appears that by 'mentoring' clients refer to the entire service they had received.

Similarly, whilst there is evidence that some of the clients had previously accessed support from other services, there is no data about what they found distinctive about the project and why it ultimately helped them, as appeared to be the case.

Capturing such evidence from clients will be important in further developing and refining the service as well as improving the team's clarity about the specificity of their offer when compared against other services.

## Value for money considerations and increasing efficiency and cost-effectiveness of the service

Value for money i.e. whether the optimum amount of resource is used to achieve the intended outcomes, is a difficult assessment to perform in the context of the project for a number of reasons. External stakeholders believed that the unique nature of the service made any comparisons virtually impossible.

Another reason was the fact that it is a *service*, trying to create an environment in the local community where those who need help, come forward and get the help they need, as opposed to an easily countable set of sessions or similar. A considerable amount of effort and resource is dedicated to secure and, in some cases, sustain client engagement. To provide a close-to-immediate response to a (self) referral, the project team have to be on standby and in a position to act quickly in order to engage people who realise they experience harm at the time when this happens. For many problem gamblers, whilst a period of despair during which they might ask for help passes, they return to their excessive gambling practices, refusing to acknowledge that their behaviour is causing harm to them and those around them, thus moving further towards a crisis point. The project team believes that in order to reach those who otherwise would not engage with support services, fast response is essential.

This should not preclude the team from looking at increasing the cost-effectiveness of their work, by spotting opportunities to offer fast response in an increasingly less resource-intensive way. Similarly, sustaining client engagement in some instances is extremely costly for the project. In many client files there were records of clients cancelling or rescheduling sessions at short notice, being very late or not turning up at all. The team prides itself on being different from other support services where one instance of such behaviour might lose a client their treatment and support opportunity, and not giving up on their clients just because they are difficult. At the same time the extent to which irresponsible behaviour from clients is accommodated puts strain on the project resources.

The project team needs to review its practices and decide on the approaches and practices that would allow their clients an occasional slip-up but at the same time require them to take ownership and responsibility from the outset. This would be consistent with the general empowerment approach used by the team when working with DGWH customers. Additional allowances could be made for a small number of clients with particularly complex needs, for example those with diagnosed mental health problems, but the team needs to be clear how many such clients it could afford to support without jeopardising the resource allocated for the rest of their work.

The project team has already started their work on identifying ways of being more cost-effective. One of the new systems that is being put in place will ensure there is clarity from the beginning – amongst the entire team and with each of the clients – about the volume of support they would be



offering. A precise number of sessions has been identified, along with the approximate period of time over which they would be delivered. This contrasts with some of the early practices when vulnerable clients with very complex needs would continue drawing on the team support for months, with a very large number of one-to-one sessions and other forms of support being given to them. The new, sharper and more defined approach is expected to reduce the level of resourcing required to support each individual client, at the same time as ensuring that they gradually move towards being empowered to support their own recovery and do not become dependent on the project team and the trusting relationships they develop with their mentors and other staff.

Other areas being explored by the project team with the aim of increasing cost-effectiveness include:

- Strengthening the remote support (phone helpline) elements of the service
- Scrutinising when some client needs can be better supported by other dedicated organisations – more effective sign-posting and multi-agency working in the area
- Exploring cascade training ('train the trainer') approaches as opposed to training all LBO and partner organisation staff directly.

The latter is very important in the context of high staff turnover amongst LBO staff, in London in particular, meaning that additional training is frequently required in the same LBOs that had already been trained as part of the project.

With the initial period of the project set-up now out of the way and the service in operation, improving cost-effectiveness is rightly one of the team's priorities, particularly in the context of potential growth and scale up of the service into other geographical areas. Going forward, it is important to sustain cost-effectiveness checks within strategic and operational planning for the project and service delivery. Given the project team's strong commitment to offering as comprehensive a support service as possible to their clients and going the extra mile for them, introducing a system for routinely considering cost-effectiveness and performing comparisons with similar services or their parts is advisable. The latter (performing comparisons for individual elements of the service) might be easier to achieve, as for example workshop / training costs and mentoring or counselling costs as part of addiction support services are widely available<sup>7</sup>. These might offer useful yardsticks when reviewing cost effectiveness and value for money of the project and its processes. To ensure a degree of externality and independence when performing such checks, this role might be for example performed by one of BKM board members or its trustees.

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<sup>7</sup> For example, a quick internet search suggests that a one-day awareness workshop (typically these last around 6-7 hours in total) on issues such as self-harm can be commissioned by organisations to be delivered for a team of up to 15 of their staff on their premises for approx. £600-700 plus the trainer's expenses.

## 5. PROJECT REACH AND OUTCOMES

This section considers outcomes for the two main strands of the project activity – its direct support to customers and its training for staff from industry and partner organisations.

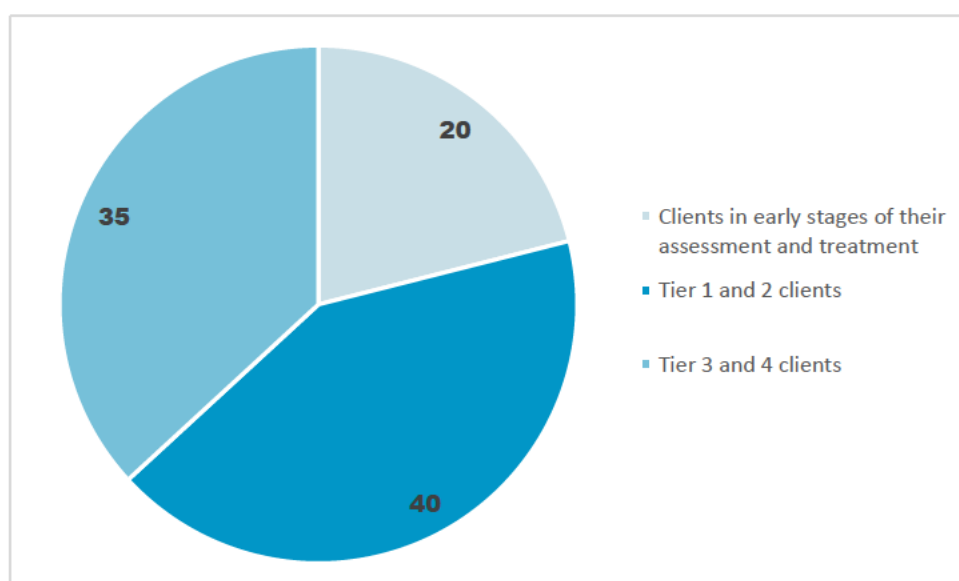
### Customers

By early November 2017, BetKnowMore engaged with 95 customers. Twenty of them<sup>8</sup> were in their early stages of treatment and assessment. For approximately half of these clients only initial assessment data was available. The remainder were recently referred clients and their assessments were in the process of being completed during the reporting stages of this evaluation. No outcomes data was available for these customers, so they were excluded from impact analysis.

Below we offer a breakdown of the current customer base, outlining the numbers of customers who recently approached the service and those who are treated through informal, short term (Tiers 1 and 2) or more formal (Tiers 3 and 4) interventions.

**Figure 5: Customer breakdown**

Source: BetKnowMore monitoring records, checked 3<sup>rd</sup> November 2017



<sup>8</sup> Clients with reference codes ABB75-ABB95.



Tier 1-2 and Tier 3-4 customer engagement with the service and the evidence about their outcomes differ considerably so they are presented separately below.

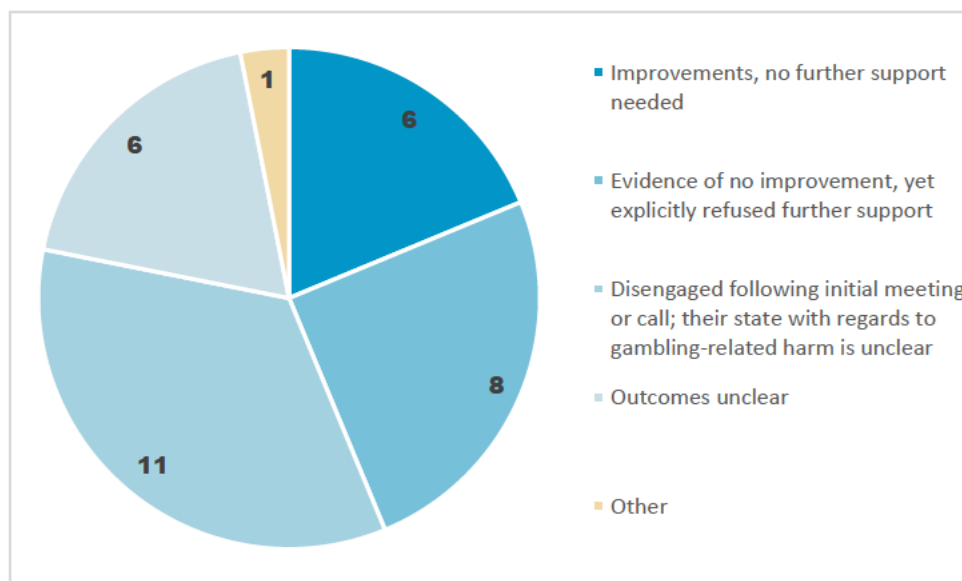
## Tier 1-2 client outcomes

Of the 40 clients recorded as Tier 1- 2 customers, 32 had brief meetings or a phone conversation with the project team. Despite their efforts, the project team was unable to reach eight clients due to incorrectly provided contact details or these customers' reluctance to engage despite being (self)-referred.

According to the interviews with the project team, within their brief and informal interactions with Tier 1 and 2 customers they discuss client experiences of gambling and explore their concerns about negative consequences of their gambling and offer information and advice. It is important to acknowledge that little evidence about the nature of support within Tier 1 and 2 is documented. Notes that do exist are often brief, unspecific and vague. For example, reports like 'discussed gambling-related harm with the client', make it impossible to determine the nature of client needs, support provided and its outcomes. As a result, there is virtually no evidence of improved outcomes for clients, intensified by the fact that, due to the nature of their engagement with the service, for the vast majority of such clients, the formal evaluation tools adopted by the project team (such as PGSI or Core-10 scores) are either not used at all or only used at the assessment stage.

**Figure 6: Service outcomes for Tier 1 and 2 customers**

Source: Tier 1 and 2 customer records, clients who engaged with the service beyond referral, base 32.



Our analysis of Tier 1 and 2 client records also suggests that when working with these customers the project team might be focusing too much on trying to formalise their engagement with these

customers to offer them greater support and evaluate it. This potentially results in missing opportunities for offering high-quality informal, light-touch support to clients and capturing evidence about it. The team should ensure that brief interventions are seen as stand-alone support routes and are monitored accordingly. For example, this might take form of a few feedback questions at the end of a call to the project helpline or an informal meeting, or a very short follow-up survey to customers who agree to be contacted. The questions should focus on capturing customer feedback about the extent to which the support and information was helpful. It is unrealistic to expect behaviour change in the context of providing customers with information and signposting and the project should not be judged for not achieving this. At the same time, lack of concrete evidence about the nature of harm experienced by the customers who access informal support, the exact nature of that support and how it benefits them, is unhelpful and needs to be addressed.

### **Tier 3-4 client outcomes**

A considerably greater range and volume of evidence was available for clients who engage with the service more formally, i.e. Tier 3 and 4. The main emphasis was on supporting customers to gain control over their gambling behaviour and on attending to their emotional and mental health and wellbeing.

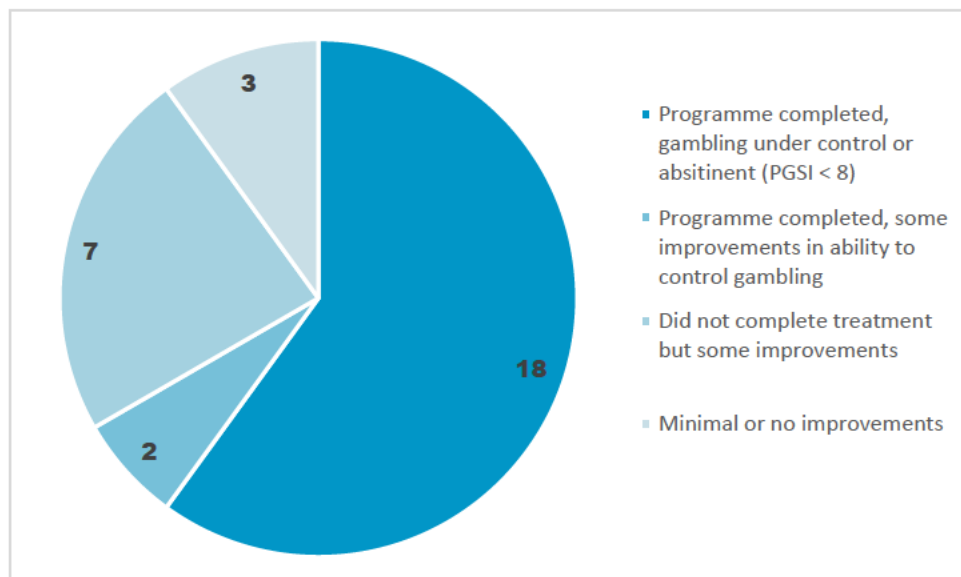
#### **Clients' ability to control their gambling**

Evidence about distance travelled with regards to their ability to successfully manage their gambling behaviour, including being abstinent from gambling, was available for 30 Tier 3-4 clients. The vast majority (27 out of 30 clients) considerably improved their ability to successfully manage their gambling behaviour, assessed by PGSI, regardless of whether they completed their treatment or not.



**Figure 7: Overview of impact on gambling behaviour for Tier 3-4 clients**

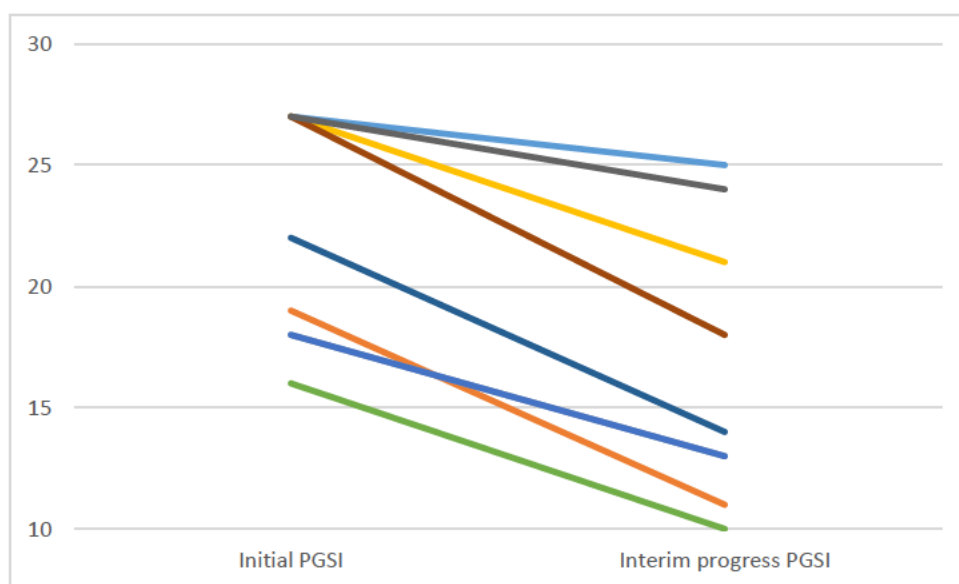
Source: Tier 3 and 4 customer records, clients for whom initial, interim and if relevant end-of-treatment PGSI scores were available, base 30.



Improvement was slightly less for those who did not complete their treatment by the time of analysis and reporting. Some of these customers were continuing their treatment, some moved out of the area and were unable to continue, others disengaged. In several instances those who disengaged reported that their gambling was under control, even though this was not captured via PGSI assessments.

**Figure 8: Improvement in PGSI scores for Tier 3-4 clients who did not complete treatment<sup>9</sup>**

Source: Tier 3 and 4 customer records; PGSI assessment scores, base 9.



NB: For two clients their PGSI scores improved from 18 to 13, so these lines overlapped on the chart.

On average client PGSI scores improved by approximately 6 points. Nonetheless, none of these customers scored below eight points on the PGSI scale, which is considered a borderline for identifying problem gamblers.

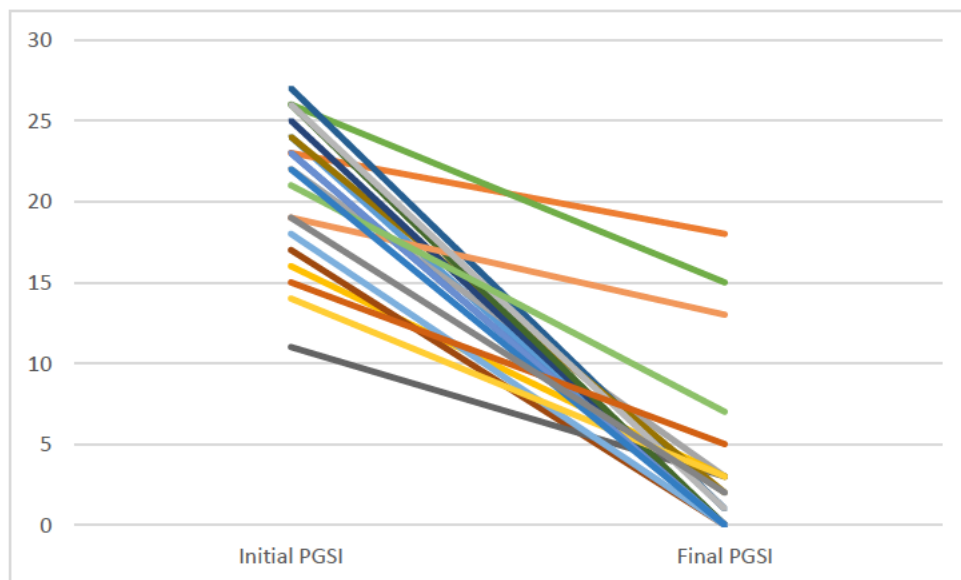
The situation was very different for those Tier 3 and 4 customers who had *completed* their treatment for problem gambling. These customers make impressive progress, PGSI score reductions from  $\geq 24$  to  $\leq 3$  were common. On average, customer PGSI scores improved by 17 points. Importantly, the vast majority (18 out of 22) of the clients who completed Tier 3-4 treatment also scored below eight points on the PGSI score, suggesting that they were able to gain control over their gambling behaviour. Most of these customers became abstinent, the remainder continued to gamble within limits that they and those around them considered appropriate and manageable. For the clients who accessed the service at the very beginning of the project, there was evidence that these positive outcomes were sustained over a period of several months.

<sup>9</sup> These were the following customers: ABB19, ABB23, ABB28, ABB38, ABB40, ABB41, ABB46, ABB48, ABB63.



**Figure 9: Improvement in PGSI scores for Tier 3-4 clients who completed treatment<sup>10</sup>**

Source: Tier 3 and 4 customer records; PGSI assessment scores, base 21.



Recent changes to the evaluation processes also provide additional evidence about clients' ability to control their gambling.

Overall, the evidence about the impact in this area for Tier 3 and 4 clients was strong and highly positive for the majority of the clients.

### Improvements in client emotional and mental health and wellbeing

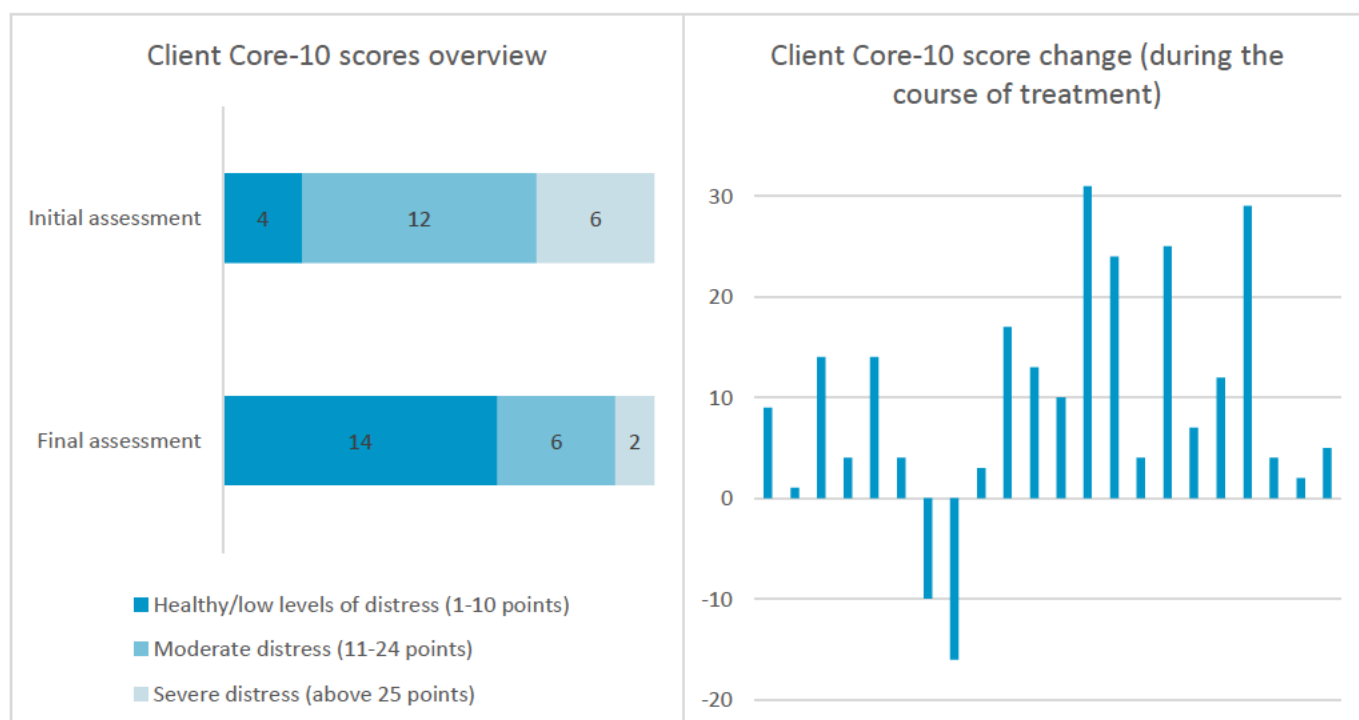
For most Tier 3 and 4 clients, assessments of the emotional and mental state of their clients was performed at multiple points during their engagement with the service, using Core-10 scores.

Analysis of the data captured through these assessments reveals a positive picture overall (See Figure 10).

<sup>10</sup> These were the following customers: ABB2, ABB7, ABB10, ABB12, ABB14, ABB16, ABB20, ABB21, ABB22, ABB35, ABB37, ABB39, ABB42, ABB43, ABB45, ABB47, ABB49, ABB54, ABB55, ABB58, ABB68.

**Figure 10: Change in client Core10 scores during the course of treatment (Tier 3-4 clients)<sup>11</sup>**

Source: Tier 3 and 4 customer records; Core 10 assessment scores, base 22.



During the course of their treatment, the signs of anxiety and depression, thoughts of self-harm and other negative manifestations have considerably diminished for the majority of the clients. This is particularly impressive given the complex nature of many clients' needs, ranging from prior mental and physical health conditions to co-morbidity issues.

The project team and the evidence they have collected were clear that sometimes client paths to success can be far from easy and straight. There were for example instances when abstinence from gambling achieved through the treatment or other events taking place in clients' lives during its

### Client case study 3

The client is a train driver, doesn't use drugs or alcohol. When he approached the service, he stated that he had good income but spent half his salary on gambling. His partner of 31 years did not know about the extent of the debts that he had due to gambling. He said that he was tired of lying, cheating and hiding.

The client has responded positively to mentoring treatment and became abstinent. At this stage, the project team picked up that his core-10 scores remained high and he was offered counselling to help him with issues around confidence and emotional stability. He had to take some time off work and was treated for depression. He continued to be supported as Tier 4 client until he was able to return to work and his emotional and mental state had sufficiently improved.

<sup>11</sup> These were the following customers: ABB2, ABB7, ABB10, ABB12, ABB14, ABB16, ABB19, ABB23, ABB28, ABB35, ABB38, ABB39, ABB42, ABB45, ABB46, ABB47, ABB48, ABB54, ABB55, ABB58, ABB67, ABB68.



period, led to low mood, signs of depression and other mental health issues. The team's attention to addressing such problems, despite gambling being no longer problematic, was noticeable in a number of instances and shows their commitment to seeing their clients' health and wellbeing as a priority for the approach. These efforts also made sure that their achievements around helping clients control their gambling behaviour were sustained, i.e. there were no relapses.

### Improvements in other aspects of customers' lives

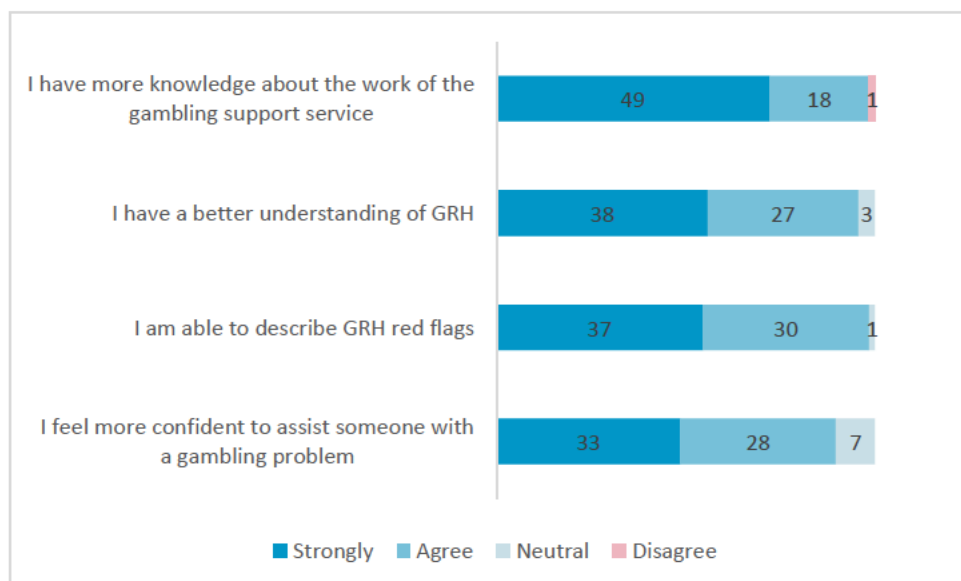
There was extensive evidence about improvements to other aspects of clients' lives and wellbeing (including their physical health, financial wellbeing, employment, relationships, etc.) as a result of them engaging with the service at Tier 3 and 4. However, these were not systematically recorded and were only occasionally visible in notes for individual client as well as being prominent in the interview data. To a significant extent, this can be explained by the fact that client needs are all different and so are the benefits that they gain from the service. Going forward, it is however, important to put in place a system that systematically captures such additional benefits for clients as without it the picture of the overall impact of the service is incomplete.

## Industry and partner organisations and their staff

Available evidence suggests that the workshops and awareness raising events delivered by the project team were very beneficial to people working in the gambling industry and partner organisations staff who attended them.

**Figure 11: Learning and development benefits for the workshop participants**

Source: BetKnowMore workshop evaluation forms, where responses to the outcomes questions were provided, base 68



Many participants and their managers commented that the workshops improved staff ability to deliver good customer service, by spotting those who were experiencing harm from their gambling or were at risk of doing so.

All industry representatives involved in this research and the LBO staff who left their feedback about the workshops, stated that the training was helpful in deepening their understanding of gambling-related harm and how to minimise it in their shops. Many of them had previous training around these issues yet they found the training, its vivid real-life examples of harm in particular, 'eye-opening'.

Industry representatives spoke about their members of staff's improved ability to handle potentially challenging conversations with their customers correctly, 'using the right terminology, so that [they] are not for example inadvertently using words that may offend somebody'. At the same time, they stressed that there needs to be a support service that their staff can refer customers to.

*There is a need for BKM and there is a need for more BKM. We are not experts. We are told by the experts about the types of behaviour we should look out for but essentially, we are only a conduit between those who look like they might need help and those who can help. We can never be anything more than that because we are not experts, not clinicians.*

#### Head of Retail Compliance, major betting shop operator

Overall, raising awareness of gambling-related harm amongst various organisations and individuals in the local area was reported by the interviewed stakeholders as one of the main outcomes of the project. Stakeholders commented that the project enabled them to move beyond 'newspaper headlines', to develop a clearer understanding of gambling-related harm and how the industry is trying to tackle it.

*There's been a lot of obviously controversy around betting shops, and a lot of our local authorities, our councillors had concerns with those. The project [helped us] get an insight from the people that are actually dealing with the problem gamblers to get behind the headlines... We get very little if any people approaching us [about support around gambling] ... Gambling problems are very much under reported and under the radar. What we're trying to do is get behind that to see to what extent gambling harm is prevalent in Islington, which is the 4th or 5th most deprived borough in London.*

#### Local authority licencing team, senior member of staff



## 6 CONCLUSIONS: SCALING UP CONSIDERATIONS

Whilst the number of people with problem gambling in our society might be relatively small, some studies<sup>12</sup> suggest it can cause as much harm to people and their wellbeing as substance and alcohol abuse. Yet, few people who experience gambling-related harm access help and support<sup>13</sup> to help minimise harm to them and those around them. In this context, there is clearly a need for a service that can reach more people affected by gambling-related harm and help them minimise it.

There is also a need for the type of service offered by the project within the gambling industry. There is a growing understanding that betting shop operators' success as businesses is more sustainable when their customers gamble responsibly, and that bookmakers have to share the responsibility of spotting and helping their customers who might be at risk. Our evidence suggests, that despite the support available to them within their organisations, frontline staff benefit from the additional inputs that the training offered through the project offers them, enabling them to better spot customers at risk. At the same time, the industry representatives recognised that their staff's ability to help customers at risk after they spotted them was limited. They appreciated the value of having a fast-response local support service that people can be referred to.

DGWH therefore offers a valuable service for which there is a need.

Evidence gathered and analysed for the purposes of this evaluation indicates that many core elements of the service, such as referral processes and work with partner and industry organisations, the training for LBO staff and structured support to customers (Tier 3 and 4) are highly effective. Evidence about the effectiveness of more informal support (Tier 1 and 2) is currently limited. The project monitoring and evaluation systems and possibly the approach of working with Tier 1 and 2 customers need to be refined to rectify that. Taken as a whole, the approach appears to be working in addressing the needs of clients at risk of gambling-related harm and the gambling industry.

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<sup>12</sup> E.g. Wardle, H., Seabury, C., Ahmed, H., Payne, C., Byron, C., Corbett, J. & Sutton, R. (2014). Gambling behaviour in England and Scotland: Findings from the Health Survey for England 2012 and Scottish Health Survey 2012. London: NatCen.

<sup>13</sup> E.g. Browne, M., Bellringer, M., Greer, N., Kolandai-Matchett, K., Rawat, V., Langham, E., Rockloff, M., Palmer du Preez, K., & Abbott, M. (2017). Measuring the burden of gambling harm in New Zealand.

In this context, scaling the project up appears an obvious next step. We see two possible routes here.

- Trying to scale up the project in exactly the same form as it currently operates poses questions about the team's capacity and resourcing of the work. There was a lot of evidence that many of the project strengths are tightly linked with its core team, their personal experiences, their skills and expertise and their attitude to customers. There is currently no evidence that would suggest that rapidly increasing the size of the team is possible without compromising the quality of the service. This would need careful planning and checks when being implemented. Equally, project resourcing would need careful thought, as the project costs associated with moving into new geographical area are likely to be higher than working locally.
- Adapting the service in ways that would address questions about the project capacity and resourcing is certainly possible and is something that the project team is keen to consider. However, any adaptations to the key elements to the project approach need to be informed by evidence and such process-related evidence is currently limited. For example, based on the available evidence we cannot say whether increasing the prominence of remote support as a way of helping customers is likely to be as effective in securing outcomes for customers as meetings with them. It will be important to test new elements of the service with customers and to strengthen process-related evidence base for the project prior to scaling up an adapted service.

Taking all of the above into account, we recommend starting the process of scaling up the service by focusing on developing the team capacity, scoping and partnership building in any prospective new areas. The latter emerged to be an important factor for the successful operation of the project. This would also give the team some time to test any adaptations to the service with customers in Islington and gather the additional evidence they need to inform the development and growth of the project.



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## Appendix 11: Responsible Gambling Roadmap | 2017 progress update

Significant progress was made on the responsible gambling roadmap in 2017, most notably on identifying patterns of harmful play and piloting interventions. There was an increased emphasis on evaluation to understand the effectiveness of both pilots being trialled and systems already in place, and to identify improvements that can be made. The first iteration of the roadmap is now approaching an end, as projects have reached completion, with a second roadmap being developed to outline responsible gambling commitments for 2018. An overview of progress made is detailed below:

### PAS

The account based Player Awareness System (PAS) was first launched in 2015, and marked a significant step in the development of the harm minimisation measures in LBOs. Operators' PAS systems analyse the behaviour of those playing on gaming machines when they are logged into a customer account. Customer behaviour is then assessed against a range of markers of problem gambling, and – where behaviour is identified as indicating harmful play – they are alerted to this either via the gaming machine terminal, text or email.

PWC were commissioned in mid-2016 to undertake the first evaluation of operators PAS systems (Coral, Ladbrokes, Paddy Power, and William Hill). This evaluation identified a number of areas where the PAS systems could be improved and led to a number of operational enhancements to several PAS systems. PWC were commissioned to undertake a second evaluation (Appendix 6) in 2017, in order to identify the progress that has been made in operators PAS systems and the effectiveness of these changes.

The PWC evaluation found that the changes made to the PAS systems were 'evolutionary not revolutionary', but that progress was being made - particularly around the governance of the PAS systems. The evaluation also reflected operators' commitment to continually improving their systems, and to sharing best practice.

Following the publication of the second PWC evaluation, operators have agreed to work to further align their PAS systems, in particular a commitment to align messaging of alerts by the end of 2018.

### Anonymous Player Awareness System (APAS)

The Anonymous Player Awareness System (APAS) is a set of real-time in-session algorithms which run across all sessions (i.e. 'anonymous' and account-based sessions) and identify specific player behaviour which may indicate problem gambling. The aim of developing APAS was to establish an algorithmic approach to identify players carrying out potential harmful play.

The project consisted of two initial phases, both trialled across over 500 LBO's in the same geographical areas - Birmingham, Kent and Glasgow - with the results fully evaluated at the end of each phase. APAS Phase 1 was trialled between January and April 2017, and was based on two key markers of harm (Absolute Loss and Rate of Loss).

APAS Phase 2 was trialled from August to November 2017 across the same three trial groups. This second phase built on the learnings of Phase 1 using new markers based on the latest research (chasing losses and chaotic behaviour).

Following the positive outcomes of both quantitative and qualitative evaluation of the Phase 2 algorithms, ABB members and Betfred have agreed to roll-out APAS estate-wide by the end of 2018. The qualitative evaluation undertaken by OKO (Appendix 9) included several recommendations around messaging and cool-off periods which will be considered before the wider roll-out of APAS.

### BetKnowMore UK

The BetKnowMore UK *Don't Gamble With Health* pilot was launched in the London Borough of Islington in October 2016, and was live in the borough's 59 LBO's throughout 2017. The ABB has exclusively provided funding for the pilot and has committed to continue funding the pilot in this way until at least March 2018.

During 2017, GambleAware commissioned Chrysalis to undertake an evaluation of the pilot and this was published in December 2017. The evaluation has confirmed the success of the pilot, with project monitoring data showing that 95 clients have been in contact with the service as a result of the pilot. The evaluation found improved assessments of the emotional and mental state of clients after engaging with the service, as well as a marked reduction in their PGSI (problem gambling severity index) scores.

The Chrysalis evaluation recommended the development of the BetKnowMore UK team's capacity and building partnerships in prospective new areas. The ABB are supporting the BetKnowMore UK team in this partnership building with a view to expanding the pilot into other London Boroughs. The ABB is also working with BetKnowMore UK to investigate options to broaden its funding base to ensure the long term viability of the pilot.