

# Evidence supporting the Campaign for Fairer Gambling's submission to the DCMS consultation

## Introduction

This document will provide a brief summary of specific evidence that supports our case for reducing the maximum stake on FOBTs to £2 a spin (Q1), the lack of efficacy of the proposed player protection measures on gaming machines (Q11), the lack of measures proposed to address online gambling (Q12), the lack of proposed restrictions on gambling advertising (Q13), reforming research, education and treatment (Q14) and extra evidence (Q16). Links to the evidence are provided where possible, with a brief summary that indicates why it is relevant. Other sources referenced are provided, with numbered references, in an appendix to this document. This document is 30 pages long.

## Q1 Reducing the maximum stake on FOBTs to £2 a spin

### Evidence that reducing the maximum stake to £2 would reduce harm

#### Structural Changes to Electronic Gaming Machines as Effective Harm Minimization Strategies for Non-Problem and Problem Gamblers

*Louise Sharpe, Michael Walker, Maree-Jo Coughlan, Kirsten Enersen, Alex Blaszczyński*

<https://link.springer.com/article/10.1007/s10899-005-5560-8>

This study aimed to evaluate the effectiveness of three proposed modifications to the structural characteristics of electronic gaming machines as harm minimisation strategies for non-problem and probable problem gamblers. Structural changes included reducing the maximum bet size, reducing reel spin and removing large note acceptors. Behavioural patterns of play were observed in 779 participants attending clubs and hotels. Observations were conducted in the gaming venue during regular gaming sessions. Eight experimental machines were designed to represent every combination of the modifications. 210 participants played at least one modified and one unmodified machine. Following play, the South Oaks Gambling Screen (SOGS) was administered. More problem than non-problem gamblers used high denomination bill acceptors and bet over one-dollar per wager. Machines modified to accept the one-dollar maximum bet were played for less time and were associated with smaller losses, fewer individual wagers and lower levels of alcohol consumption and smoking. It was concluded that the reduction of maximum bet levels was the only modification likely to be effective as a harm minimization strategy for problem gamblers.

This paper was quoted by former DCMS chief economist Dr Stephen Creigh-Tyte and John Lepper in 2005. "What Can Economics Tel Us About Machine Gambling?" stated: "...binding limitations on wagers can limit the maximum session losses suffered by punters. The effect tends to be greater the higher the prize and the larger the probability of winning and the lower the time taken by each game. This finding is in line with Blaszczynski et al. which found that there was a large reduction on time played, number of bets, money lost and consumption of alcohol and tobacco among players of machines the stake of \$1 compared with those who played machines with maximum stakes of \$10."

[http://www.easg.org/media/file/conferences/malmo2005/presentations/Donderdag/14.15-15.45/1/john\\_lepper.pdf](http://www.easg.org/media/file/conferences/malmo2005/presentations/Donderdag/14.15-15.45/1/john_lepper.pdf)

It was also cited by Australia's Productivity Commission in their report Evidence and social policy: the case of gambling that recommended a dollar bet limit for poker machines, arguing: "A limit of \$1 would strongly target problem gamblers, with little disturbance for others."

<https://www.pc.gov.au/inquiries/completed/gambling-2009/report/gambling-report-volume1.pdf>

#### Follow-up study of loyalty card customers: changes in gambling behaviour over time

*Heather Wardle, Elizabeth Fuller, Natalie Maplethorpe, Hollie Jones*

<http://about.gambleaware.org/media/1432/follow-up-study-of-loyalty-card-customers-report.pdf>

A follow-up study of bookmakers' loyalty card holders found that "the number of activities engaged in weekly was not itself a significant predictor of becoming a problem gambler, once sex age, ethnicity and income had been controlled for. For 16 of the 17 activities modelled in this way, there was no association between engaging at least once a week in that activity in the last four weeks in the baseline study and an increased likelihood of becoming a problem gambler. The exception was playing machines in a bookmaker; participants who did this at least weekly at baseline had increased odds of 2.29 times those who did not play bookmakers' machines or did not play them that frequently in the last four weeks." Those who were unemployed or who lived in the most deprived areas of England, Scotland or Wales were more likely to start gambling on FOBTs; the unemployed, those living in deprived areas and those from non-White ethnic groups were more likely to increase their frequency of gambling on FOBTs; three-fifths of participants who started gambling on FOBTs increased their engagement in other activities, suggesting onset of addiction; problem gambling prevalence rates over time masks a great deal of variation in the problem gambling status of individuals, as nearly half of all participants changed their PGSI status at follow-up; change in machine play frequency did not vary by age or income but did vary by ethnicity, area deprivation and economic activity; and most crucially.

## What proportion of gambling is problem gambling? Estimates from the 2010 British Gambling Prevalence Survey

*Jim Orford, Heather Wardle, Mark Griffiths*

<http://www.stopthefobts.org/wp-content/uploads/2013/07/Jim-Orford.pdf>

Problem gambling prevalence was highest among those who gambled on nine or more different activities on a regular basis (27.8%). However, the frequency and spend on different gambling products by problem gamblers is not determined by the BGPS. Professor Jim Orford, Heather Wardle and Professor Mark Griffiths (2013) sought to address this by estimating how many days' play of each gambling activity was attributable to problem gamblers and how much problem gamblers spend on each gambling activity. The authors found only three gambling activities where the estimate of days' play attributed to problem gamblers exceeded 20%: casino games (31%), FOBTs (26%) and dog races (22%). In other words, problem gamblers account for 26% of the total time spent on FOBTs by both problem and non-problem gamblers combined. Problem gamblers lost £297m on FOBTs, and £57m on dog racing. This compares to £76m on table games in casinos, £57m on horse racing, £47m on slot machines, £18m on football pools and £16m on bingo. Problem gambler losses on FOBTs are greater than several other leading gambling activities combined. The authors also estimated the days and spend attributable to problem and moderate risk gamblers combined and found that this varied from 5-6% for lotteries. It was as high as 40% for FOBTs and for dog racing. However, problem gamblers lose nearly four times as much on FOBTs compared to dog racing, which indicates that FOBTs are associated with greater levels of harm.

## B2 machine gambling in the UK: how large is a "large-scale loss?"

*Howard Reed*

### **Full paper attached [1]**

The government state in the consultation that stake reduction is "in order to reduce the potential for large session losses and therefore [to reduce] potentially harmful impacts on players and their wider communities". However, DCMS sets the bar for a "large scale loss" at £500 arbitrarily. This report looks at the proportion of losses at £500, £200 and £100 at each of the options for stake reduction. The report finds that sessions up to a maximum stake of £2 delivered no sessions with "large scale losses" greater than £100, £200 or £500; 30% of sessions up to a maximum stake of £20 delivered losses greater than £100, 18% of sessions up to £20 delivered losses of more than £200 and 6% delivered losses greater than £500; for sessions up to £30, 51% delivered losses greater than £100, 36% greater than £200, and 17% greater than £500; for sessions up to £50, 93% delivered losses greater than £100, 88% greater than £200, and 78% greater than £500; this illustrates that as players stake up, their propensity for large scale losses increases exponentially; sessions with losses greater than £500 account for one third of total losses on B2 non-slots

sessions; sessions with losses greater than £200 account for almost three fifths (59.7%) of total losses on B2 non-slots sessions; three-quarters of total losses come from sessions with losses greater than £100; the author concludes that only a £2 stake will eliminate large-scale losses.

#### Gambling expenditure predicts harm: Evidence from a venue-level study

*Francis Markham, Martin Young, Bruce Doran*

<http://www.stopthefobts.org/wp-content/uploads/2013/03/gamblingconsumption-and-harm-3.pdf>

The prevalence of gambling-related harm at the venue level was correlated with estimated monthly machine expenditure per adult. Each \$20 increase in monthly gaming machine expenditure per adult was associated with an estimated 1.75% increase in the prevalence of gambling harm. This is relevant given GambleAware found that 233,000 FOBT users lost more than £1,000 in one session last year, and despite only around 3% of the population using FOBTs, they generated £1.8 billion in gross gambling yield.

#### House of Commons Science and Technology POST Note on Addictive Behaviours

*Parliamentary Office of Science and Technology*

<http://www.parliament.uk/documents/post/pn356%20-addictive-behaviours-corrected.pdf>

“Widely-available electronic gaming machines are associated with the highest rates of problem gambling worldwide; in contrast, casinos that require deliberate planning and travel efforts tend to discourage repetitive and impulsive conduct. Anecdotal evidence suggests some forms of gambling are more addictive than others. Generally, forms of gambling that are most addictive are those that allow for continuous play and which offer quick and frequent payouts.”

#### Gambling: the hidden addiction

*Sanju George, Henrietta Bowden-Jones*

<http://fairergambling.org/wp-content/uploads/2014/04/Gambling-The-Hidden-Addiction.pdf>

Expresses “significant concerns” about betting shops “visibly clustering together on the high street” and notes that “fixed odds betting terminals have been linked with problem gambling” and goes on to state: “Touchscreen electronic gaming machines,

fixed-odds betting terminals may pose a greater risk of causing problem gambling than other forms of gambling. This has been reported as being partly due to the ability to stake up to £100 on a game that can be played rapidly and repeatedly, and the introduction of more than 33,000 fixed odds betting terminals into betting shops across Britain.”

### Flaws in advice by the Responsible Gambling Strategy Board in its advice to the DCMS review of gaming machines and social responsibility measures

*Howard Reed*

#### **Full paper attached [2]**

An analysis that shows the RGSB’s reluctance to argue for a £2 maximum limit is unfortunate and misguided. The paper highlights several reasons why a £2 limit is the correct limit to argue for. RGSB themselves admit that a substantial reduction in maximum stake is necessary to drive behavioural change and reduce problem gambling activity on B2s; there is no real evidence to suggest that a £2 maximum stake would harm the economy and in fact it would probably improve economic activity in deprived areas (where B2 machines are concentrated) by driving consumer spending towards other goods and services with more local employment content; the the lack of comparable issues with B3 gaming machines in other premises indicates that £2 is a safe and sustainable level for maximum stakes in easily accessible (i.e. non-casino) premises such as LBOs; RGSB states that “it is desirable that any new maximum stake should be at a sustainable level and not subject to further frequent changes.” The opposition Labour Party’s policy on B2 machines is a reduction in maximum stake to £2. Given that a Labour win at the next general election is a distinct possibility, we can infer that if the maximum stake on B2 machines is reduced by the current Conservative Government to say £20 then in the event of a Labour win at the next election, it would presumably be revised downwards again, to £2. Thus, to avoid “further frequent changes”, it would make sense to introduce a £2 limit now.

### Comparisons of revenue per machine and per gambler: B2 gaming machines vs other types of gaming machine

*Howard Reed*

#### **Full paper attached [3]**

The Gambling Commission statistics include information on total revenue from different types of machine and the number of machines in circulation across all types of venue in the UK gambling industry. With revenue per machine of almost £54,000, B2 gaming machines are more than 3 times more profitable than B3 machines and almost 11 times more profitable than all the other types of machine with lower maximum stakes (B3, C and D) put together. The GC statistics also include

information on the proportion of the UK adult population who play B2 gaming machines (1.4 per cent) and the proportion playing slot machines of any type (4.7 per cent). In terms of revenue per gambler, B2 gaming machines are over 8 times more profitable than other types of machine with lower maximum stakes (revenue per gambler of around £193 in a 4-week period for B2 machines compared to around £23 per gambler for other machines).

### Responsible Gambling Trust research on Category B machines in bookmakers

#### *Campaign for Fairer Gambling analysis*

While the research question asked whether harm (which eventually became “problem gambling”) could be detected, rather than whether FOBTs induce or exacerbate harm, there are conclusions that support the case for a reduction to £2 a spin.

#### *Report 2*

Page 9 states that 19% of those that bet an average of 53p per spin or lower were problem gamblers, but 82% of those that bet £13.40 or more were either problem or at risk gamblers. 31% of problem gamblers had an income level of less than £10,400 per year. Page 69 shows 37% of FOBT players have experienced problems.

#### *Report 3*

Key metrics used by FeatureSpace in developing a problem gambling detection algorithm included: frequency and duration of play, net expenditure, levels of play engagements, number of activities or game types undertaken, and chasing. The omission of stake size from the predictive model analysis is a glaring error that precludes FOBT policy relevance.

#### *Report 5*

Found that gambling at £20 compared to gambling at £2 reduced decision-making ability.

### Analysis of the Responsible Gambling Trust Machines Research Programme

*Linda Hancock, Shannon Hanrahan*

<http://www.stopthefobts.org/wp-content/uploads/2015/03/Hancock-and-Hanrahan-CfFG-Executive-Summary-4March15.pdf>

The authors conclude: “The results point to the need for implementation of lowered bet limits to protect players from machines that are calibrated too high for locally accessible venues on high streets.”

## FOBT Research Report

### 2CV

<http://www.stopthefobts.org/wp-content/uploads/2014/12/FOBTs-2CV-2014-4.pdf>

933 face-to-face exit interviews with betting shop customers in Manchester, Newham, Medway and Liverpool were conducted, with respondents completing a 10-minute survey, which found that FOBTs are perceived as an addictive activity by all betting shop customers, regardless of engagement with the machines. With higher frequency of play comes higher engagement and cash insertion, as those playing weekly or more account for 63% of annual session activity and 90% of cash inserted, highlighting evidence of problem gambling behaviour. FOBTs have a negative financial effect on players, with one third of roulette players spending beyond their means and borrowing money in order to play. Whilst borrowing from a multitude of sources, family and friends are relied upon heavily, indicating the wider social impact of FOBT problem gambling. Those borrowing money and gambling at higher stakes exhibit stronger problem gambling traits and behaviours than other FOBT players and betting shop customers. These players would benefit the most from a reduction in maximum bet per spin.

### Wheel of Misfortune: The case for lowering the stake on Fixed Odds Betting Terminals

*Philip Blond, James Noyes*

<http://www.respublica.org.uk/our-work/publications/wheel-misfortune-case-lowering-stakes-fixed-odds-betting-terminals/>

Respublica make the Conservative case for reducing the maximum stake to £2 a spin, framing their argument around three strands. First, the impact on people. The number of people using casino-style, high stakes gambling machines on Britain's high streets is estimated to have reached 1.5 million. Evidence has shown that a disproportionate number of those people live in areas of poverty, high unemployment and deprivation. The growing prevalence of FOBTs on Britain's high streets has contributed to increases in problem gambling over recent years, with a range of harmful impacts – from worklessness and indebtedness to domestic violence and family breakdown – which undermine the Government's welcome focus on healing Britain's social fabric. The latest available research has found that the number of problem gamblers has surged – from 280,000 in 2012 to 430,000 in 2015.

Second, the impact on economic prosperity. There has been a profoundly negative impact on the productive economy as FOBTs have grown. Typically, the defence of high stakes FOBTs is that they bring economic benefits. Our paper assesses the evidence and finds that this is manifestly not true because FOBTs are diverting expenditure from more productive parts of the economy. The rise of FOBTs has consequently damaged employment – 23,400 potential jobs lost last year alone – and in doing so has increased the burden on taxpayers. This hidden cost to the economy is substantial, and we argue that it should therefore be considered a

priority for economic as well as social policy reform. Third, the impact on place. Britain remains the only developed country in the world to have high street betting shops that allow people to bet up to £100 every 20 seconds. Our high streets should be at the heart of our economic and social fabric, providing both sources of local employment and enterprise but also places of community life. But poor regulation has catalysed the disproportionate growth and “clustering” of betting shops, and further driven the decline of thoroughfares that once flourished as centres of growth and community. We argue that regulation needs to be improved to better serve communities, local business and our high streets. The case for better regulation of FOBTs on Britain’s high streets is a call for greater consensus and consistency. It is clear that there is an opportunity for cross-party consensus: since the launch of the DCMS review, the Labour party has committed to reducing the maximum stake to £2, and to increasing the delay between spins in games. Likewise, the Liberal Democrats have committed to a reduction of the maximum stake to £2.

### Lowering the Stake on Fixed Odds Betting Terminals

*Centre for Social Justice*

[https://www.centreforsocialjustice.org.uk/core/wp-content/uploads/2017/08/FOBT\\_Publiciation.pdf](https://www.centreforsocialjustice.org.uk/core/wp-content/uploads/2017/08/FOBT_Publiciation.pdf)

In 2006, the Centre for Social Justice (CSJ) published its Breakthrough Britain report on addiction, which outlined the systemic issue of gambling and its pervasive effects on individuals and communities. At the time of publication, there were 250,000 problem gamblers in the UK, whereas estimates now exceed 593,000. The number of FOBTs – category B2 gaming machines – is at an all-time high of 34,809, with an estimated £1.7 billion being lost on the machines annually. This is the equivalent of £48,724 being lost per machine each year, with FOBTs now accounting for 50% of bookmakers’ profits. The CSJ believes that the high stakes of FOBTs have compounded the social issues perpetuated by gambling. As a result, the CSJ is recommending that the Government reduces the stakes on FOBTs from £100 to £2, a measure that has been widely called for and received significant cross-party support.

## **Evidence of gambling-related harm associated with machines**

### Rapid onset of pathological gambling in machine gamblers

*Robert Breen, Mark Zimmerman*

<https://www.ncbi.nlm.nih.gov/pubmed/12050846>

44 problem gamblers were surveyed and categorised by their favoured form of gambling. The authors found that: "The mean latency of problem gambling onset in the 19 subjects who were traditional gamblers at the time of onset was significantly longer than the latency of the 25 subjects who were machine gamblers." Therefore, problem gambling occurred in machine gamblers much faster than those who favoured other forms of gambling.

### Type of gambling as an independent risk factor for suicidal events in pathological gamblers

*Bischof A, Meyer C, Bischof G, John U, Wurst FM, Thon N, Lucht M, Grabe HJ, Rumpf HJ*

<https://www.ncbi.nlm.nih.gov/pubmed/26795395>

442 participants with a lifetime diagnosis of pathological gambling took part in a standardised clinical interview. High financial losses were associated with suicidal events, alongside mood disorders. Gambling on electronic gambling machines in gambling halls or bars was associated with increased odds of suicidal events. Other types of gambling, such as casino games or betting on sports, or the number of DSM-IV criteria of symptoms for pathological gambling, were not associated independently with suicidal events. The findings suggest that gambling on electronic gambling machines in gambling halls or bars is associated with suicidal events in pathological gamblers independent of comorbidity. This result shows that the type of gambling is relevant to the level of harm experienced.

### The relationship between player losses and gambling-related harm: evidence from nationally representative cross-sectional surveys in four countries

*Francis Markham, Martin Young, Bruce Doran*

<http://onlinelibrary.wiley.com/doi/10.1111/add.13178/abstract;jsessionid=24F2780027A2BF552C8F97F205DB0C78.f03t03>

The study found that the more you gamble, the greater your risk of developing problems. There is no safe level of gambling, only risks that increase as you lose more money – even at relatively low levels of losses. These findings are important

because they contradict conventional wisdom that there is a threshold below which gambling is safe. According to this view, only after a particular consumption level does risk mount. Public information about gambling should not imply that moderate gambling is risk-free. Public health messaging similar to that which relates to tobacco should also apply to machine gambling.

### Fruit Machine Gambling: The Importance of Structural Characteristics

*Mark Griffiths*

[https://www.researchgate.net/profile/Mark\\_Griffiths2/publication/225229611\\_Fruit\\_machine\\_gambling\\_The\\_importance\\_of\\_structural\\_characteristics/links/588afe05458515221280fa7a/Fruit-machine-gambling-The-importance-of-structural-characteristics.pdf](https://www.researchgate.net/profile/Mark_Griffiths2/publication/225229611_Fruit_machine_gambling_The_importance_of_structural_characteristics/links/588afe05458515221280fa7a/Fruit-machine-gambling-The-importance-of-structural-characteristics.pdf)

The study cites Cornish (1978) who argues that: "When the opportunity to use... higher stakes in order to multiply winnings or recoup losses rapidly is combined with high event frequency and short pay out interval, participants may be tempted to continue gambling longer than they might otherwise do (p.168)." The author argues that "structural characteristics of fruit machines have the potential to induce excessive gambling regardless of individuals' biological and psychological constitution and that such insights may help in decreasing fruit machine gambling's 'addictiveness' potential and help in formulating effective gambling policy." It concludes: "It has been clearly demonstrated that various structural characteristics of fruit machines at the very least have the potential to induce excessive gambling regardless of the gambler's biological and psychological constitution."

### Access or adaptation? A meta-analysis of surveys of problem gambling prevalence in Australia and New Zealand with respect to concentration of electronic gaming machines

*John Storer, Max Abbott, Judith Stubbs*

<http://www.tandfonline.com/doi/pdf/10.1080/14459790903257981>

A study using a combined data set of 34 problem gambling surveys conducted in Australia and New Zealand since 1991 found strong statistically meaningful relationships between an increase in prevalence of problem gambling with increasing per capita density of EGMs, and supported by no evidence of plateauing of prevalence with increasing density of EGMs.

## Current trends in slot machine gambling: Research and policy issues

Mark Griffiths, Sue Fisher

<https://link.springer.com/article/10.1007/BF02104791>

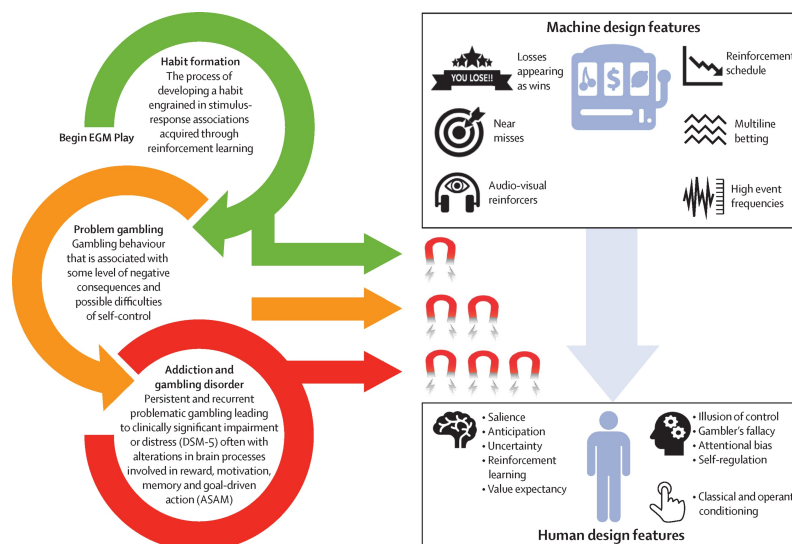
The paper notes that throughout the world, research findings have linked slot machines with pathological gambling. Slot machines are now the predominant form of gambling activity by pathological gamblers treated in self-help groups and professional treatment centres in numerous countries.

## Hooked on gambling: a problem of human or machine design?

Murat Yucel, Adrian Carter, Kevin Harrigan, Ruth J van Holst, Charles Livingstone

[http://www.thelancet.com/journals/lanpsy/article/PIIS2215-0366\(17\)30467-4/fulltext](http://www.thelancet.com/journals/lanpsy/article/PIIS2215-0366(17)30467-4/fulltext)

This paper alleges that EGMs are intentionally designed with carefully constructed design elements (structural characteristics) that modify fundamental aspects of human decision-making and behaviours, such as classical and operant conditioning, cognitive biases, and dopamine signals. Structural characteristics include high event frequencies (enabling continuous play), random ratio reinforcement schedules, near misses, losses appearing as wins, multiline betting, and exaggerated audible and visual reinforcements. These design features might explain why, relative to other forms of gambling, EGM use is linked to an accelerated trajectory to harmful gambling, including disordered gambling, and more of those harms. Ready accessibility of EGMs and normalisation of gambling via advertising and availability have compounded these effects. This paper proposes that these combined machine–human design interactions become a more persistent feature of the condition as the behaviour progresses from habit to disorder or addiction.



## Evidence of crime associated with FOBTs

### Do Crime-Prone Areas Attract Gambling Shops?

*Pradeep Kumar and Hisayuki Yoshimoto*

<http://eprints.gla.ac.uk/120948/7/120948.pdf>

Investigates a causal effect of crime on the number of betting shops by using annual data from London boroughs (2007-2015). The estimation results show that a 1% increase in crime rate causes a 1.2% increase in the number of betting shops (per capita). Put differently, a new betting shop opens in a borough for every 1.4% increase in the local crime rate, on average. The causal effect is robust across a variety of specifications, although the magnitude varies across models.

### An exploratory study in to the money laundering threats, vulnerabilities, and controls within the UK bookmaker sector, with a specific focus on Fixed Odds Betting Terminals

*Kane Pepi*

#### **Full paper attached [4]**

The research, based on several qualitative interviews with stakeholders, notes: “As the national regulator for gambling services in the UK, the Gambling Commission employee was clear in his belief that there is a ‘massive risk of money laundering in the bookmaker sector’. Based upon extensive monitoring, field studies, and engagement with betting shop operators, the AML weaknesses identified resulted in the regulator striving for enhanced regulations, most notably, inclusion with the impending MLR2017. The threats identified by the participants involved included the ability to remain anonymous throughout the gambling experience, mitigating risk by keeping stakes within automatic trigger safe zones, utilising the vast amount of bookmaker premises to avoid detection, and exchanging illicitly derived profits for non-cash tickets.”

### Statistics relating to the number of police call-outs to British betting shops, from the start of 2013 to the start of 2016

*Metropolitan Police*

<http://www.stopthefobts.org/wp-content/uploads/2016/08/Met-Police-call-outs.pdf>

Information obtained under FOI indicates the number of police call-outs to betting shops is increasing year-on-year. In 2015/16 the figure amounted to 11,998.

## The big gamble: the dangerous world of betting shops

*Guardian*

<https://www.theguardian.com/business/2016/may/31/big-gamble-dangerous-british-betting-shops>

A long-read that describes rape threats from a frustrated FOBT user towards a deputy manager of Betfred in Sussex, a threat of abduction towards a young Ladbrokes employee, an armed robbery of a Ladbrokes in Scotland, an armed robbery of a Ladbrokes in Cardiff, an armed robbery of a Coral in Newcastle, an armed robbery of a Coral in Surrey, an armed robbery of a Coral in Manchester, a robbery of a William Hill in Whitstable, a robbery of a Ladbrokes in Darlington, an armed robbery of a Ladbrokes in Welwyn Garden City, and an armed robbery of a Stan James in Oxford, where a lone-working employee was made to kneel on the floor as one robber said to the other, "Shoot him, shoot him." It also describes an armed robbery in a Cheshunt Paddy Power, another in a William Hill in Brighouse, and of a Coral in Glasgow. It also details the circumstances surrounding the murder of Andrew Iacovou while he worked alone at Ladbrokes, and following this incident an internal review by Ladbrokes found the single scheduling policy to be "adequate". Ladbrokes representatives had promised Tom Brake MP that new safety initiatives for their staff, but did not commit to ending single-manning. Many of the safety initiatives never materialised, but staff in the shops most at risk of violent incidents were issued with panic alarms. However, a lone-working member of staff in a Ladbrokes in Leicester was not deemed among those, despite being subsequently subjected to a violent sexual assault while lone working. When sentencing the offender, Judge Michael Chambers said, "In my view, Ladbrokes' actions in this case can be viewed as extremely negligent."

## MPs back campaign against betting machines dubbed 'the crack cocaine of gambling'

*Mirror*

<http://www.mirror.co.uk/news/uk-news/mps-back-campaign-against-betting-8074487>

The article quotes a letter from MPs, which states: "It is estimated that 7,000 FOBT machines are smashed and there are 10,000 police call outs to bookmakers as a result of FOBT related violence every year." The figure of 7,000 FOBT machines smashed every year relates to a conversation the Campaign for Fairer Gambling had with Gambling Commission officials, in which they disclosed that the number equated to 7,000. This statement has not been rebutted, nor has the precise data been made available.

The gambling machines helping drug dealers 'turn dirty money clean'

*Guardian*

<https://www.theguardian.com/uk-news/2013/nov/08/gambling-machines-drug-money-laundering-bookies>

The article describes how, with relative ease, drug dealers are using FOBTs to launder the proceeds of crime. Roulette content enables money launderers to set a guaranteed rate of return. One cocaine dealer cited places £20 on red, £20 on black and £2 on 0. The cost of laundering his money is a maximum of 5%.

Ladbrokes accused over child gamblers and criminality

*Guardian*

<https://www.theguardian.com/business/2013/nov/11/ladbrokes-accused-child-gamblers>

Paul Pearce, who was with Ladbrokes for 48 years and worked in the security team overseeing 2,000 shops from the company's London headquarters, said: "The instructions came from the director of security and were to be careful about certain terms because they were discoverable. The idea, I believe, was to make sure in the future it'd be harder to assess the scale of money laundering or children illegally betting in the shops. The industry just looked the other way. We had children gambling. We had a lot of violence. By the time I left it was 30 shops a week with machines being vandalised. We were supposed to protect the vulnerable to stop them becoming addicted. But we did next to nothing. It was immoral. The industry changed overnight. In my view it became immoral. You had shop managers who got paid a bonus or commission for increasing takings. So tell me, would you stop a punter from putting in thousands of pounds of cash into a machine when your pay depends on it? We had a guy in the Midlands putting a grand or two in the machines every day. He wasn't cashing out he was collecting receipts. Seemed obvious he was not just another punter. But he was just profit to us." Mr. Pearce said the problem is shop staff were told that if anything happened to call the head office first – not the police. "If it was a break in, a shop being smashed, anything. We told shops don't call the police unless the person smashing the machines was going to stay."

## **Evidence on the economic impact of FOBTs**

### The Economic Impact of Fixed Odds Betting Terminals: 2015 update

*Landman Economics: Howard Reed*

<http://fairergambling.org/wp-content/uploads/2016/02/The-Economic-Impact-of-Fixed-Odds-Betting-Terminals-20151.pdf>

The report argues that because expenditure on FOBTs supports relatively little employment compared with consumer expenditure elsewhere in the economy, Landman Economics found that £1bn of “average” consumer expenditure supports around 21,000 jobs across the UK as a whole, whereas £1bn of expenditure on FOBTs supports only 4,500 in the UK gambling sector. This implies that an increase of £1bn in consumer spending on FOBTs destroys over 16,000 jobs in the UK. If current growth rates are maintained, gross industry revenues from FOBTs will double in real terms over the next ten years, resulting in a gain of around 5,000 jobs for the gambling sector by 2025-26, but a reduction of around 25,000 jobs for the economy as a whole. At the end of the ten-year period, the total annual wage bill in areas where FOBTs are established will be around £700m lower than if FOBT use remained at its 2015 level, and net tax receipts will also be around £120m per year less due to the expansion of FOBTs. Revenue from Machine Gaming Duty is forecast to increase by around £280m but this is more than offset by reduced receipts from income tax and National Insurance contributions (due to lower employment) and reduced VAT receipts (due to lower consumer spending on other goods and services).

### Impact Assessment on the Reduction of B2 Machine Maximum Stakes to £2

*NERA Economic Consulting: George Anstey, Soren Christian, Tommaso Marossi*

#### **Full paper attached [5]**

The report finds that sector-wide LBO profits would fall by between 20 per cent and 61 per cent, relative to a sector - wide total of £807 million, depending on the change in consumer behaviour. NERA’s scenarios suggest that a wide range of outcomes are possible: in the worst case scenario, 41 per cent of shops could close (of 8,788) as a result of the introduction of the cap, but on average across all 12 scenarios, NERA forecast that 17 per cent of shops will close and the industry will lose 42 per cent of its profits, as a result of a £2 maximum stake.

Statement responding to the government's Impact Assessment for the consultation on proposals for changes to Gaming Machines and Social Responsibility Measures

*NERA Economic Consulting*

DCMS's recent Impact Assessment states that a £2 maximum stake on Fixed Odds Betting Terminals may reduce bookmakers' annual revenues by between £458 million and £937 million. The Impact Assessment also presents a central forecast of £639 million. DCMS's figures are broadly consistent with research previously published by NERA Economic Consulting which estimated that the introduction of £2 maximum stake would affect between £400 million and £1,300 million of bookmakers' revenues, before accounting for knock-on effects due to shop closures.

Both NERA's estimate of affected revenues and DCMS's estimated reductions in revenues are likely to exceed the impact on bookmakers' profits of a £2 maximum stake. Customers may divert some of their expenditure to other betting and gambling channels with bookmakers. It is unclear how DCMS takes account of this revenue diversion in its model. Bookmakers are also likely to be able to reduce costs following a reduction in their revenues.

DCMS does not provide sufficient detail to check its assumptions and conclusions carefully. In particular, DCMS does not provide an independent justification for its underlying assumptions: Its sole reference to third party evidence on the consumer response to changes in the maximum stake is that its assumptions and results are similar to those adopted in bookmaker-funded research.

## **Q11 Lack of efficacy of the proposed player protection measures on gaming machines**

Multi Operator Self Exclusion: Expanding the fence at the bottom of the cliff. A review of the Chrysalis Research UK 207 Report: *Evaluation of the Multi-Operator Self-Exclusion Scheme (MOSES Report)*

*Linda Hancock, Shannon Hanrahan*

### **Full paper attached [6]**

The analysis notes that the future success of initiatives such as MOSES relies on a departure from individual-based approaches (reflected in models such as the Reno Model [see Hancock and Smith, 2017], with an emphasis on the provision of information and individual's making an informed choice to gamble). This is in stark contrast to a public health approach which starts from the premise that gambling is a harmful consumption where protections are required to promote health and prevent and minimise harm from occurring to population(s). In the absence of evidence, the health of population(s) are better protected with the application of the precautionary principle to assessing proposed policies in relation to harmful products like gambling. Manufacturers and operators of harmful products have a conflict of interest, and are likely to seek to prevent, delay or obstruct the introduction of public health policy and regulatory initiatives that pose a threat to their financial interests. The fact that internationally self-exclusion (SE) programs have become the predominant harm-reduction strategy used by the gaming industry (Nower and Blaszczynski 2008) should lead to questioning why the industry are so supportive of SE programs. SE is identified as a key harm minimization measure promoted by the Reno Model to limit access to gambling opportunities and provide problem gamblers with an avenue to cease or limit their gambling behaviour (Blaszczynski et al. 2007). SE has been not just supported by but also driven by the gambling industry and thereby taken up as an easy option by governments and regulators, often as a way of seeking to show they are addressing community concerns about gambling.

Responsible Gambling: Collaborative Innovation, identifying good practice and inspiring change

*Becky Rowe, Damon De Ionno, Jenny Holland, Connie Flude, Lily Brodrick, Adelaide Vinay and Matthew Moutos*

<https://about.gambleaware.org/media/1581/revealing-reality-igrg-report-for-gambleaware.pdf>

A Revealing Reality report commissioned by the Industry Group for Responsible Gambling found that betting shop staff are poorly trained or see problem gambling measures as “pointless”; some staff reinforced “false beliefs” about lucky numbers or

slot machines; responsible gambling messages were hidden where customers can't see them; and betting firms set default spending limits as high as £99,999

Review of the Association of British Bookmakers' Code for Responsible Gambling and Player Protection in Licensed Betting Offices in Great Britain, and of M. Griffiths (2014) Responsible Gambling Initiatives and Preliminary Evaluation of the ABB Code of Conduct

*Charles Livingstone*

<http://www.stopthefobts.org/wp-content/uploads/2014/12/Review-of-of-ABB-code-and-Griffiths-evaluation-incl-refs-and-summary1.pdf>

The author notes that: "Griffiths's review appears, in my opinion, to be almost unfailingly positive, in some cases in contrast to the material presented. This may be attributable to Griffiths's enthusiasm for measures on which he appears to have advised the ABB. In any event, a more critical review may have offered more scope for constructive suggestions about how the code could be fundamentally improved. The preliminary evaluation in my view represents an apparent attempt to demonstrate adherence to responsible gambling practices that lack an evidence base and are generally favoured by industry for the purpose of achieving public, or perhaps more importantly, political support for continued self-regulation. Such systems of self-regulation are not likely to achieve significant reductions in harm, and in any event are largely if not entirely unsupported by evidence."

Gambling Machines Research Hijacked by the Industry

*Jim Orford*

<https://www.gamblingwatchuk.org/research-new/128-gambling-machines-research-hijacked-by-the-industry>

Professor Jim Orford notes: "the authors say that they have shown that they can predict problem gambling and that there is therefore 'a bright future for behavioural analytics' in the area of social responsibility and gambling. This really seems to be over-optimistic and to smack of special pleading. Of course no one expects perfect prediction but even the best was hardly impressive. For example, 50% of problem gamblers could be identified but only at a cost of a false positive rate of 25% amongst non-problem gamblers. Since the latter are much the larger group, this represents an unacceptably high false-positive rate. In other words, at even a modest level of sensitivity, specificity is unacceptably low. Further analysis did suggest that many of the false positives might be at-risk gamblers."

### ABB Code for Responsible Gambling and Player Protection: Evaluation of early impact among machine gamblers

*Sergio Salis, Heather Wardle, Stephen Morris & David Excell*

<http://about.gambleaware.org/media/1167/abb-early-impact-report-final-report.pdf>

NatCen found there to be no statistical evidence of any impact of the ABB's Code on any of the following metrics: The length of time spent gambling on a machine during a session of play; the amount of money gambled on a machine during the session; the proportion of machine gambling sessions which lasted 30 minutes or more; and the proportion of gaming machine gambling sessions in which individuals inserted £250 or more into the machine.

### Diagnostic Algorithms and Problem Gambling

*Bo J. Bernhard, Brett L.L. Abarbanel*

<http://www.stopthefobts.org/wp-content/uploads/2015/12/Active-Interventions-Diagnostic-Algorithms-and-Problem-Gambling-FINAL3.pdf>

The research concludes that none of the DSM criteria for problem gambling are currently identifiable based upon some calculation made at the machine. In fact, it would seem that virtually all of these would be "invisible" to the gaming machine (indeed, many of these can be challenging to identify even for trained mental health professionals).

### Ladbrokes under investigation over gambler's payday loans claim

<https://www.theguardian.com/uk-news/2017/sep/29/ladbrokes-investigation-payday-loans-fobt>

*The Guardian*

Paul Jones, a 39-year-old recovering gambling addict, told the Guardian that he twice took out high-interest payday loans by telephone in front of Ladbrokes staff at a branch in Birmingham. He said they not only knew he was taking out the loans but even ran his debit card to see if the money had arrived in his account. Mr. Jones produced bank statements to back up his allegations, showing a sequence of transactions with Ladbrokes and payday loan companies. He said: "Twice, in the space of half an hour, I took a payday loan to keep playing. I borrowed the maximum I could, about £200, and lost that within 15 minutes, I didn't want to leave because I was sure the machine would pay out soon. All compulsive gamblers think that. So I got a payday loan and it was in my account within 15 minutes. I was checking with

the staff to see whether it was in my account yet. I lost all of that within 20 minutes so I got another loan, again checking with staff to see if it was in my account."

### A Review of the DCMS Evaluation of the £50 Regulations for B2 Gaming Machines

*Howard Reed*

<http://www.stopthefobts.org/wp-content/uploads/2016/07/Landman-review-of-DCMS-£50-threshold-evaluation.pdf>

The analysis identifies a number of shortcomings with the DCMS evaluation and concludes "evidence that the £50 regulations have worked as intended is very weak at best."

### Self-exclusion in betting shops flawed

*BBC*

<http://www.bbc.co.uk/news/av/uk-42372860/self-exclusion-scheme-in-betting-shops-flawed>

BBC reporter Rob Cave tested the Multi Operator Self Exclusion scheme, self-excluding from 21 betting shops in Grimsby. He then went undercover, visiting them all to see if he was recognised. Rob was able to place bets in 16 shops before he was finally recognised and asked to leave. Rob says: "It begs the question - is a piece of paper with a name and a photograph on it, enough of a solution to help those who want to stop gambling when the fun stops."

## Q12 Lack of measures proposed in relation to online gambling

### Remote Gambling Research: Interim Report Phase II

*PwC*

[https://about.gambleaware.org/media/1549/gamble-aware\\_remote-gambling-research\\_phase-2\\_pwc-report\\_august-2017-final.pdf](https://about.gambleaware.org/media/1549/gamble-aware_remote-gambling-research_phase-2_pwc-report_august-2017-final.pdf)

The report indicates that the remote gambling industry could accurately detect problem gamblers today, with a refined set of 22 markers used to create a customer specific risk score, with bet value and day of the week significantly improving the precision of predictions. Segmenting gamblers by product and activity improves predictions further. However, there is low take up of self-exclusion (31% of problem gamblers) and 75% of problem gamblers use more than one site. This suggests that GamStop may have limitations, and operators should be encouraged to offer and promote blocking software to self-excluded customers. Problem gamblers bet £98 a day when they gamble, compared to non-problem gamblers who bet £14.

An analysis of the data contained in the PwC report by Howard Reed indicates that 59% of remote gross gambling yield comes from problem or at-risk gamblers, suggesting harm reduction is not compatible with the commercial interests of operators.

### Pressure grows on gambling industry to stop tipsters profiting from losses

*Guardian*

<https://www.theguardian.com/society/2017/sep/04/pressure-grows-gambling-industry-over-dubious-tipsters-affiliation>

The Guardian revealed how dubious tipsters were earning 30% commission on the losses of punters who signed up through affiliate links to bookmakers. According to current and former tipsters and industry experts, some tipsters profit by deliberately recommending long-shot bets that are unlikely to win to their followers on social media, who can number in the hundreds of thousands. SkyBet said: "The regulatory landscape in which the industry operates is developing and maturing and operators are experiencing increased obligations regarding their regulatory responsibilities and level of compliance. In order to operate in a compliant manner, we feel that operating the [affiliate] programme is no longer viable and that managing the output of affiliates presents a significant risk to our business from a regulatory perspective."

Punter left furious after Ladbrokes take £800 in 'dormancy' fees

*Guardian*

<https://www.theguardian.com/sport/2018/jan/16/punter-furious-ladbrokes-dormancy-fees>

A punter barred from accessing an online betting account with Ladbrokes, which was previously almost £1,300 in credit said on Tuesday found that the bookie has taken £800 in monthly “dormancy” fees from his balance, while denying him the chance to either withdraw or bet with the money.

## Q13 Lack of proposed restrictions on gambling advertising

### Child and parent recall of gambling sponsorship in Australian sport

*Samantha Thomas, Hannah Pitt, Amy Bestman, Melanie Randle, Mike Daube, Simone Pettigrew*

[https://www.responsiblegambling.vic.gov.au/\\_data/assets/pdf\\_file/0007/29860/Thomas\\_child\\_and\\_parent\\_recall\\_of\\_gambling\\_sponsorship\\_May\\_2016.pdf](https://www.responsiblegambling.vic.gov.au/_data/assets/pdf_file/0007/29860/Thomas_child_and_parent_recall_of_gambling_sponsorship_May_2016.pdf)

The majority of children aged 8–16 years were able to recall the names of sports betting brands. Children aged 12–16 years, boys and children who play or attend AFL matches were more likely to recall brand names than younger children, girls and children who play other sports codes. The majority of children implicitly recalled shirt sponsors associated with AFL and NRL teams. Boys recalled more correct sponsorship relationships than girls. Children from AFL and NRL sporting codes implicitly recalled more sponsorship relationships than children from soccer. Some children were able to implicitly recall gambling sponsorships associated with player uniforms. Most children (and in particular younger children) implicitly associated gambling brands with AFL and NRL teams, even if they did not correctly ‘match’ the exact sponsoring brand with the correct team. Most parents and children perceived that sporting codes should take a more active role in ensuring that children are not exposed to gambling advertising during sport.

### Analysis of the report *Gambling advertising: a critical research review* by Per Binde (University of Gothenburg) for the Responsible Gambling Trust

*Howard Reed*

#### **Full paper attached [7]**

Assesses several areas where this review falls short of providing high-quality guidance to the government and the advertising authorities to enable them to shape policy on the regulation of gambling advertising. It notes that only minimal progress has been made towards further research goals, and without this additional analysis, the conclusions of the review must be regarded as cursory and incomplete at best.

### Briefing on “Report on campaign evaluation for The Senet Group”

*Howard Reed*

#### **Full paper attached [8]**

The report demonstrates that there is no evidence that Senet style advertising is having, or will have, any impact in reducing the totality of gambling-related harm.

Renewing the legitimacy of Britain's gambling industry: the proposed solution to RGA members

**Presentation attached [9]**

A leaked document from July 2014 presented to the Remote Gambling Association is understood to be making the case for remote operators to join the Senet Group. It states that the objectives are to “renew the legitimacy of the gambling industry in the UK” and “to reset public and political confidence in the industry”. The strategy is also outlined: “to be seen to be tackling problem gambling ourselves, to be seen to be protecting children and young people from too much gambling advertising, to be seen to go further in protecting customers than we have been asked by Government, to make our announcements of these watershed moves in a co-ordinated “firebreak” for maximum impact”. The elements that would make that up include “the creation of a new body which will signal our intent to change” that is “headed by an independent Standards Commissioner”. This indicates that the motivations behind the formation of the Senet Group were political.

Response from the Advertising Standards Authority regarding a complaint about the Senet Group. Ref-A16-350881

**Letter attached [10]**

The Campaign for Fairer Gambling (CFG) complained that the following claims made by the Senet Group in an advert were misleading: “Over a third of regular gamblers who have seen this message from The Senet Group say it has led them to approach gambling more responsibly”; and “In fact, over 2 million people have directly quoted the line themselves – online or offline”. These claims were misleading as they did not reflect the data. The ASA considered that CFG had made a valid point. As this appeared to be a relatively clear breach, the ASA informed the advertiser of the complaint and they assured the ASA that the ad will no longer appear in its current form. The Senet Group also agreed to ensure that similar issues do not arise in their future similar marketing communication. The ASA also received a written assurance from them to that effect. CFG also raised concerns with how the survey was conducted generally and how this may have affected the claims in the ad, so the ASA also provided guidance to the advertiser on this point, including referring them to the CAP Copy Advice team. Despite this ruling, the Senet Group continues to make misleading representations about the efficacy of its advertising.

## Q14 Reform to research, education and treatment

### An insider analysis of the RGT B2 research programme

*Identity protected*

#### **Full analysis attached [11]**

An insider's analysis disclosing that prior to the research being published there were meetings with the RGT's PR firm and NatCen's PR firm, where "all the parties were nervous about getting the story straight for the media and presenting a united front that would benefit the operators. This was a tacit motivation for everyone involved, and memos were sent out instructing the various research parties how to proceed along this vein". Attached is this insider's analysis of the B2 research reports 1 through 4, which provide a powerful indictment of the RGT.

### Gambling: the hidden addiction

*Sanju George, Henrietta Bowden-Jones*

<http://fairergambling.org/wp-content/uploads/2014/04/Gambling-The-Hidden-Addiction.pdf>

Concludes that current services for problem gambling treatment are "underdeveloped, geographically 'patchy', or simply non-existent. A treatment response is needed to match the expansion of gambling in Britain. Research indicates that the overall number of adults gambling in Britain is increasing, and the number of adult problem gamblers is also rising with 450,000 in Britain" at the time of publication.

### Fair Game: Producing gambling research

*R. Cassidy, C. Loussouarn, A. Pisac*

<https://www.gold.ac.uk/media/documents-by-section/departments/anthropology/Fair-Game-Web-Final.pdf>

The RGT's closeness to the industry, and the industry's influence over the research agenda, is detailed in this report by Goldsmith's University, which quotes RGT Chair, Neil Goulden, stating: "There is very clear evidence that problem gambling is about the individual and not any specific gambling product or products". The consensus within the research community is that gambling related harm is the consequence of a multitude of factors including the individual, the product and its environment. The notion that harm only arises from an individual's predisposition to it is entirely self-

serving on the part of the industry, as it precludes any restrictions on products and their accessibility.

The research conducts interviews with 109 stakeholders in the gambling research field, and describes how researchers are often faced with a “devil’s choice” of either taking funding from the industry – knowing there will be restrictive permutations attached to it – or not doing any research at all as there is no funding coming from elsewhere. A number of recommendations are made, including: gambling research should be funded by a compulsory levy that is administered by research councils; calls for research should not focus exclusively on problem gambling; research councils should prioritise interdisciplinary projects, particularly those that seek to use innovative methodologies; research applications should be reviewed by academics from a range of disciplines; there should be a range of funding available to provide support for researchers at every stage of their career, and for projects of all scales; and expert panels should be constituted by academics from a range of disciplines who are at different points in their careers.

It also argues that access should be part of licensing and not based on ad hoc agreements; researchers should not enter into exclusive agreements with particular operators; there should be a public discussion about the relationship between commercial sensitivity and public accountability; questions to be discussed include the use of non-disclosure agreements and the right of operators to veto publications.; and researchers should disclose, in every publication, conference or event in which they are presenting their research, the conditions under which they have been granted access.

### Flaws in the Health Survey on Gambling

#### *Campaign for Fairer Gambling*

#### **Full paper attached [12]**

The analysis highlights that RGSB’s advice to government of January 2017 at paragraph 65 discloses NatCen research which showed that 46% of loyalty card gamblers on FOBTs had changed problem gambling status during a two-year period from 2014 to 2016, confirming that gambling behaviour is not static and that far more people in total are being harmed than is suggested by the headline prevalence percentage. It concludes that questions should be asked for the period since the last survey in addition to last year only; prevalence is not as informative as incidence. If the objective is to determine the efficacy of measures designed to prevent harm, surveys should include measuring how many people have *become* problem gamblers or at risk. Statistics on problem gamblers and at-risk gamblers should additionally be collated under a heading such as “proportion experiencing harm”, participation percentages should be to a decimal point rather than rounded, each remote gambling activity should be separated out from remote gaming and remote betting, in line with bricks and mortar activities. The Gambling Commission should provide an addendum explaining the gross revenues per activity to give better context of the impact and highlighting which activities it does not regulate.

Critiquing the Reno Model I-IV International Influence on Regulators and Governments (2004–2015)— the Distorted Reality of “Responsible Gambling”

*Linda Hancock, Garry Smith*

[https://www.researchgate.net/publication/316450457\\_Critiquing\\_the\\_Reno\\_Model\\_I-IV\\_International\\_Influence\\_on\\_Regulators\\_and\\_Governments\\_2004-2015-the\\_Distorted\\_Reality\\_of\\_Responsible\\_Gambling](https://www.researchgate.net/publication/316450457_Critiquing_the_Reno_Model_I-IV_International_Influence_on_Regulators_and_Governments_2004-2015-the_Distorted_Reality_of_Responsible_Gambling)

An article in the International Journal of Mental Health and Addiction critically examines the Reno Model responsible gambling undertaking: its evolution, core ideological beliefs and promotion in four internationally influential journal article, published between 2004 and 2015. This discourse has framed the international responsible gambling policy landscape for over a decade, emphasising individual responsibility for harms and providing governments with justifications for compromised responsible gambling regulation. Axioms of the Reno Model are individual responsibility, framed as personal control and autonomy for informed choice and a focus on problem gamblers who manifest clinical symptoms of impaired control. Drawing on corporate political activity analysis, regulator-avoidance framing strategies of the gambling industry include shaping the evidence base, policy substitution (voluntary industry operator codes of conduct and problem gambler treatment programmes) and assertions of insufficient evidence for introducing reforms. Barriers to ethical responsible gambling standards include deception and exploitation, fault regulation and grim working conditions in gambling environments, along with Reno Model adherents’ dismissal of contradictory evidence. The critique proposes a shift in the dominant regulatory model from industry self-regulation under self-monitored codes of practice to responsible gambling-consumer protection that addresses structural issues of power and vested interests, featuring core principles of public health, consumer protection, operator duty of care, regulatory transparency and independent research.

## Q16 Other relevant issues

### Bookmaker arrested in gambling law probe

*BBC*

<http://www.bbc.co.uk/news/uk-northern-ireland-42073034>

Following a Spotlight programme, a bookmaker was arrested after a PSNI investigation into whether fixed odds betting terminals are in breach of Northern Ireland gambling laws. A file has been sent to the Public Prosecution Service which will decide if the bookmaker will be charged. There are believed to be about 600 fixed odds betting terminals in Northern Ireland. In the Spotlight programme, a BBC reporter presented Derek Webb with a letter from the NI Attorney General to a local politician, which set forth the case that FOBTs are being operated illegally in NI. This is in line with a QC's opinion obtained previously by the Campaign for Fairer Gambling. While in NI to take part in the programme, Mr. Webb visited a Ladbrokes, and noted that there was no £50 threshold, no ABB Code limits or measures, no Senet Group advertising, and no material on self-exclusion or helplines, suggesting that the bookmakers are only concerned about looking committed to social responsibility while under political pressure.

### Letter from the Northern Ireland Attorney General to Lord Morrow

*John F Larkin QC*

#### **Letter attached [13]**

The NI Attorney General states that "where gaming machines are placed (and used) on licensed bookmakers' offices, the following restrictions apply: there must not be more than two machines on the premises, the stake for playing a game once using the machine must be paid in coins and must not exceed £0.30, and no benefit, article or advantage must be paid out as a prize other than a prize in money which does not exceed £25." He goes on to state that "where the use of a gaming machine on bookmakers' premises contravenes these requirements, the licensed bookmakers will be guilty of an offence". The NI Attorney General agrees that FOBTs should be defined as "gaming machines".

Counsel's Opinion that FOBTs are being operated illegally in Northern Ireland

*Susannah Fitzgerald QC*

**Opinion attached [14]**

Advises that if B2 machines are considering gaming machines then “any B2 machines that are used in Northern Ireland are being used in breach of Northern Irish law, either because the amounts staked, and the prizes exceed the permitted maxima, or the number of B2 machines in LBOs exceed the maximum permitted number for gaming machines. As a result, if this analysis is correct, offences are being committed.”

Letter to the ASA: Complaint about 888 Casino gaming adverts on television in Northern Ireland

*Lupton Fawcett on behalf of the Campaign for Fairer Gambling*

**Letter attached [15]**

The complaint cites two 888 Casino adverts that appeared on TV in Northern Ireland. Under article 30(1) of the Betting, Gaming, Lotteries and Amusements Order (BGLAO) 1985, it is an offence to issue an advertisement “inviting the public to subscribe any money’s worth to be used in gaming whether in Northern Ireland or elsewhere, or to apply for information about facilities for subscribing any money or money’s worth to so be used.”

Complaint about Bet365.com betting advert in The Racing Post in Northern Ireland

*Lupton Fawcett on behalf of the Campaign for Fairer Gambling*

**Letter attached [16]**

Complaint about an advert is taken from The Racing Post, a publication which is distributed extensively throughout Northern Ireland. This particular copy of the publication was obtained in Northern Ireland on 12 December 2017. This advert is particularly addressed to the Northern Ireland public as there is a telephone number specific to Northern Ireland advertised in the top left corner as a means of placing bets. There are no references in the advert to any geographical restrictions and the service advertised is available to residents of Northern Ireland. Under article 6 of the BGLAO it is an offence “for any person to (a) carry on business or act as a bookmaker, or (b) hold himself out or represent himself to be a bookmaker, unless he holds a bookmaker’s licence authorising him to do so”. A “bookmaker” is specifically defined and covers someone receiving or negotiating bets. A “bookmaker’s licence” is also specifically defined and so to meet the requirement of having one the licence must (a) be under the BGLAO (and therefore specifically

relate to Northern Ireland rather than, for example, under the Gambling Act 2005 which applies to Great Britain) and (b) relate to a track or licensed premises. Also, under article 7(5) of the BGLAO certain people are prohibited from obtaining a bookmaker's licence, effectively making them available only to Northern Ireland registered companies or Northern Ireland residents. In the absence of a bookmaker's licence for Northern Ireland, the advertiser's activity is in breach of the BGLAO by reason of advertising in Northern Ireland the advertiser is holding itself out as a bookmaker, which is contrary to the prohibition in article 6(b) of the BGLAO; by placing the advert designed to attract customers in Northern Ireland (in particular with a specific Northern Ireland phone number) constitutes carrying on business in Northern Ireland, which is contrary to the prohibition in article 6(a) of the BGLAO; and if the advert is successful then Northern Ireland customers physically present in Northern Ireland will place bets via a telephone number specific to Northern Ireland, as well as online. The advertiser is receiving the bets and providing the customer with the means to place them, each of which constitutes acting as a bookmaker contrary to the prohibition in article 6(a) of the BGLAO.

#### Analysis of the Association of British Bookmakers' submission to the consultation

##### *Campaign for Fairer Gambling*

##### **Full analysis attached [17]**

An analysis of the Association of British Bookmakers consultation response that highlights the many false and misleading claims made by the trade body in their representation to government, including the false and repeated claim throughout their submission that the Gambling Commission has stated there is "no link" between FOBTs and problem gambling.