

Gambling Review Consultation: Further Evidence

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Evidence relevant to B2 machine stake size

The following is based on the conclusions that are drawn about gambling and public policy in a new book which is about to come out. The book is entitled, *Setting Limits: Gambling, Science and Public Policy* (Oxford University Press). This book is important because it comes from a group of editors (Thomas Babor of Connecticut University, USA and Pekka Sulkunen of Helsinki University, Finland) and authors who are recognised international experts in the field of public health whose previous summaries of international research on alcohol, for example, have been highly influential. That this group has turned its focus on gambling is itself an indication of the increased attention now being devoted to the subject worldwide. The global evidence which they summarise is not new evidence, but it is summarised in a more thorough way than has been done before and the conclusions reached are of the upmost relevance for British gambling policy.

Babor and Sulkunen et al's general conclusions based on international research include:

- Electronic gambling machines (EGMs), particularly those which offer the most 'intensive' form of machine play, because of such features as high maximum stakes, high volatility, and/or fast speed, constitute the single form of gambling which is the most harmful.
- Harm-prevention measures which modify features of game design are more effective than those that aim to identify and influence individual players.
- Public attitudes, wherever and whenever these been assessed, are generally critical of gambling and are particularly critical of forms of gambling which appear to put the public at greatest risk.
- Any significant change to game design which has the intended effect of reducing losses for those with problems will inevitably lead to loss of revenue for operators and to governments through reduced taxes. It is unrealistic to expect that effective harm-reduction measures can be instituted without reducing yields for operators.

Babor and Sulkunen et al's specific conclusions about stake size:

1. On the specific issue of reducing maximum stake sizes for EGMs, their conclusion, based particularly on a comparison between relatively small reductions made in Australia and larger reductions made in Norway, is that to be effective in reducing harm, such reductions have to be substantial. Relatively small changes are unlikely to be effective.
2. A further conclusion, from all the research they looked at, is that several measures in combination are more effective than a single measure alone. Hence, reducing stake size is

likely to be even more effective if combined with other measures taken simultaneously, such as increasing the minimum interval between plays, banning autoplay, reducing arousing visual and auditory stimulation, and setting mandatory loss limits.

Their general and specific conclusions support my questionnaire response which is that only a substantial change in maximum stake size for B2 machines, to a £2 maximum, will be sufficient to significantly alter the nature of the non-slots, casino-like, high-intensity EGM experience which the B2 machines offer in British betting shops. Such machine content in such locations, outside casinos, is contrary to the 'regulatory pyramid' which Government has subscribed to in the past, under which the most intensive and dangerous forms of gambling are confined to the less accessible locations. If the reduction is substantial, i.e. a reduction to £2, the nature of the FOBT experience would be fundamentally altered, making it no longer a highly intensive, highly volatile (many small wins, a few large wins, many large losses) experience, bringing it into line with other EGM experiences available to the British public. Lesser reductions, to £20, £30 or £50, would retain the relatively high intensity, high danger of rapid large losses, nature of this form of gambling.

It can also be concluded that, ideally, a substantial reduction in maximum stake size should be supported by simultaneous other changes such as reduced play speed. However, it is the abnormally high maximum stake which is the particular feature of FOBTs which makes them stand out from other forms of EGM. International evidence supports the prediction that making a substantial change by bringing down the maximum stake from £100 to £2 alone would make a significant difference to the harm experienced by many gamblers and their families.

It can also be predicted that such changes would be popular with the general public which will not be impressed if the maximum stake remains 10, 15 or 25 times higher than the maximum stake allowed for other EGMs. Evidence from the 2007 and 2010 British Gambling Prevalence Surveys was that British attitudes towards gambling are generally negative, and recent data collected by the Gambling Commission shows that trust in the fairness of gambling provision has been falling in recent years.

Evidence relevant to social responsibility measures

Analysis of the latest evidence on the accuracy of identifying problem gambling through player tracking

One measure highlighted in the consultation document is player tracking. The document (5.22) refers to the second phase of GambleAware commissioned research, published in August, which it is said, 'found the industry could accurately detect problem gamblers... [providing] a key area of opportunity for operators to strengthen their processes to identify and minimise gambling-related harm'. Unfortunately, that statement is greatly over-optimistic. I have read the report of that work available on the GambleAware website. The report is lengthy and detailed and requires a certain degree of statistical knowledge in order to be understood. In fact, what it shows is that, even when 22 risk indicators are put into the equation, the degree to which users of online gambling sites who are otherwise thought to have gambling problems (because of their answers to the Problem Gambling Severity Index) could be identified was very far from perfect. For example, looking at the 7% with the highest risk scores, precision is high at about 85% (in other words the false positive rate

is only 15%). But the hit-rate is only about 16% (in other words the false negative rate is no less than about 84%). The overall most accurate prediction (minimising the total of false positives and false negatives) is achieved by identifying a colossal 30% of the sample as possible problem gamblers, which still only results in identifying 62% of problem gamblers and at the cost of a false positive rate of 29%. These results can be improved, but only slightly, by concentrating the analysis on those who are gambling more often or intensively, or by accumulating data on a person's gambling over an increasing period of time up to several months or a year or more. There is the further problem that complicated algorithms of this sort are likely to become even less accurate over time as times change and gambling products, environments and players change.

It is on the basis of Babor and Sulkunen *et al's* relatively negative conclusions about the effectiveness of measures targeting individual players, as opposed to measures that target game design features, plus my examination of the latest GambleAware research on player tracking, that I gave a negative questionnaire response about the proposed package of social responsibility measures.