



Quaker Action on Alcohol and Drugs

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QUAKER ACTION ON ALCOHOL AND DRUGS' RESPONSE TO THE GOVERNMENT'S CONSULTATION ON PROPOSALS FOR CHANGES TO GAMING MACHINES AND SOCIAL RESPONSIBILITY MEASURES

Introduction

Quaker Action on Alcohol and Drugs as well as being an independent charity is also a Recognised Body of the Religious Society of Friends (Quakers). It is managed by a Committee of Trustees who are appointed and conduct their business in accordance with Quaker practice, as observed by the Religious Society of Friends. We do not speak on behalf of Quakers as a whole, but our contribution is based on our Quaker principles and specific concern with addictive and problem behaviour.

QAAD is responding to this consultation due to our serious concern with the human costs of gambling-related harm for individuals, families and communities. The spiritual perspective - that we are all connected - finds an echo in the evidence that problems in the minority are related to wider social behaviours and that whole population measures can be the most effective approach.

We believe that there has been an imbalance between the two policy aims of industry growth and player protection, with the economic factor taking precedence over public health arguments in policy discussions and evidence evaluation. Most of the harms associated with EGMs, and B2s in particular, were predictable from existing evidence-based research about high risk machines in casually accessible locations, but these were not acted upon. We are concerned that the same imbalance may be perpetuated by an optimism about social responsibility measures and behaviour analytics that is in excess of what the evidence indicates they can achieve.

We welcome many of the proposals detailed in this consultation, together with its acknowledgement of the wide range of further research, evaluation and innovation that will be needed to prevent future problems, whilst addressing the needs of individuals, their families and communities currently affected by problem gambling.

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

We strongly support the reduction of the maximum stake to £2.

The £100 maximum stake for FOBTs was set irresponsibly high and has remained a high risk anomaly. The consultation confirms widespread support for a reduction of the maximum stake to £2, and we welcome the government's acknowledgement that the industry's self-regulatory measures have failed to make any significant impact on either the rates of problem gambling or the degree of harm experienced by individuals. It is now critical that the harms associated with B2s are addressed more robustly by reducing the stake in line with other EGMs accessed outside casinos.

At a time when the Gambling Commission has reported a fall in the proportion of the public who believe that gambling is fair and trustworthy to 34%¹, the greatest level of reduction would clearly demonstrate that the government places its highest priority on protecting the youngest and most vulnerable members of our society, whilst sending a clear public health message regarding to risks of high stake gambling.

We understand and support the view that a reduction of stake size alone cannot be expected to resolve the many and complex issues associated with B2s. However, the consultation confirms evidence which demonstrates the correlation of high stakes with the highest losses and therefore most serious harms.

The evidence for a reduction to a £2 maximum stake

Hard evidence for a reduction to £2 is relatively limited, not because it is inconsistent with what is known about gambling problems, but because UK research has not been focused on gathering it. Rather than examining and testing what impact a £2 reduction might have, research has been directed towards solutions that the industry favours, predicated on differentiating problem and at-risk gamblers from non-problem gamblers i.e. locating the problem in the individual rather than investigating harms directly associated with specific gambling formats. We understand that data on treatment seekers' 'primary form of gambling' is now collected; however, this valuable source of evidence is still not in the public domain where it could help to balance the focus of future research and inform policy.

Furthermore, we question whether it is possible to definitively identify 'non problem gamblers', or indeed 'vulnerable gamblers', given the continual shifts in people's personal circumstances. Gambling, even at low levels of stake or frequency, may represent a potential risk for a great many people at different times of their lives. It is therefore essential that policy is informed by a stronger, evidence-based focus on prevention, in addition to addressing problems once they have been established.

An additional problem is that some of the evidence from the B2 studies is presented in a 'worked' statistical format that does not give the raw data. This limits the extent to which it can be critiqued, or used to support alternative analysis and recommendations by independent observers and researchers.

¹ Gambling participation in 2016: behaviour, awareness and attitudes, Annual Report, Gambling Commission, February 2017

The reduction in the maximum stake will take time to implement. The RGSB suggested the possibility of piloting the B2 stake changes in its January 2017 advice to the DCMS: *'It might be possible to pilot a reduction in a defined geographic area (or even different levels of reduction in different areas).'*' We suggest that a pilot during the implementation stage, to assess the impact a £2 maximum stake would have on B2 gambling patterns, would be very useful - and long overdue.

International evidence

Other comparable jurisdictions, most notably Australia, New Zealand and Canada, have experienced similar problems with EGMs in terms of problem rates and community impacts. The general policy in these jurisdictions is to confine higher-stake machines to casinos, while stake sizes for more readily available EGMs are low and roughly in alignment with the £2 stake that the UK uses for all non-casino machines other than FOBTs. In short, they enact the same policy as the Gambling Act 2005, but do so consistently.

Stake size

There is strong evidence of the correlation between high and variable staking and problematic gambling. The evidence on which policies in other jurisdictions is based is partly on the general finding that higher stake size is one of the key risk factors associated with EGMs. One study² in particular demonstrates the kind of practical, investigatory research that would be a welcome addition to the UK's body of gambling research. It aimed to evaluate the effectiveness of three proposed modifications to the structural characteristics of EGMs as harm minimisation strategies for non-problem and probable problem gamblers: the maximum bet size; reducing reel spin; and removing large note acceptors. Eight experimental machines were designed to represent every combination of the modifications and observations conducted in the gaming venue during regular gaming sessions.

The results showed that more problem than non-problem gamblers used high denomination bill acceptors and bet over one Australian 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.

A recent Gamble Aware study of the impact of stake size on cognitive control found that a player's ability to make accurate decisions deteriorated as the level of stake increased. Importantly, this occurred *even at lower levels*.³ The Australian Health Commission's comprehensive review into EGMs in 2010 proposed an even lower maximum stake than those already in place:

*'There are strong grounds to reduce the maximum intensity of play per button push well below the current \$5 and \$10 regulated limits. A limit of \$1 would strongly target problem gamblers.'*⁴

² Sharpe L, Walker M, Coughlan MJ, Enersen K, Blaszczyński A. 'Structural changes to electronic gaming machines as effective harm minimization strategies for non-problem and problem gamblers'. [J Gambl Stud.](#) 2005 Winter;21(4):503-20.

³ Parke A, Harris A, Parke J, Goddard P, 'Understanding Within-Session Loss-Chasing: An Experimental Investigation of the Impact of Stake Size on Cognitive Control', GambleAware (2016)

⁴ Productivity Commission 2010, Gambling, Report no. 50, Canberra.

The £2 stake would help problem gamblers the most

Gambling Commission statistics have confirmed that problem gambling rates are significantly higher on B2s than on other classes of machine (11.5% compared with 5.7% on slot machines more generally).⁵

A survey of Loyalty Card customers⁶ showed that individuals with higher average stake size were generally more likely to be problem gamblers or low/medium risk gamblers, although there was a range of staking behaviour by problem gamblers and this is not a linear relationship. However, when considering the 5th decile (where median stake size will be in the region of £2.63), *just over 70% of stakes* are made by people who have some level of gambling problem (21% problem, 18-19% medium risk, and 31% low risk). Reducing the maximum stake to £2 would therefore be expected to target at-risk or problem gamblers although is not possible to be more precise about these figures, or to say what the percentages would be for a £2 stake exactly, because the data is presented in a way that does not reveal this information.

The average bet of problem gamblers was £7.43, and problem gamblers were more likely to have more discrete sessions per day: the average was 2.2. Based on these figures, even one bet twice a day would cost nearly £15, while gambling at this level four times a week would cost £60. Many problem gamblers would be likely to gamble much more. Whilst it is not possible to say that the level of gambling would stay the same if the maximum stake was reduced to £2, many B2 problem gamblers would certainly benefit in terms of significantly lower losses.

The median stake-size for B2-only play was calculated at £5.31,⁷ using 'proxy sessions' to measure time and spend. However, this does not correspond to a visit to the bookmakers: people could have several sessions during one visit, evident from the fact that the average session length was under four minutes for B2 players. Even relatively light gambling at this rate is significant for someone on a low income: data stating absolute losses do not reflect *relative* losses and their impact for people who are unemployed, economically inactive, are living on a low income and/or are in debt.

The report also points out that problem gamblers stake widely, and that some people with problems would therefore '*not be targeted by a reduction in stake size to £2*'. Of course, this is unavoidable: all harm reduction measures in any field are limited and no single measure could possibly help everyone with problems. However, the fact that other measures would be needed to help gamblers who stake at lower levels does not in any way detract from the benefits of a £2 stake. Rather, it is essential to investigate and evaluate what such additional measures might be.

Accessibility, concentration and location

Situational factors, and in particular accessibility, are recognised as one of the key elements in gambling-related harm.⁸ B2s are significantly more accessible than other classes of EGM, particularly

⁵ <http://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-behaviour-in-Great-Britain-2015.pdf>

⁶ Wardle H, Excell D, Ireland E, Ilic N, and Sharman S, '*Identifying Problem Gambling – findings from a survey of loyalty card customers*', p38, table 3.18 (London: Responsible Gambling Trust), 2014

⁷ Wardle H, Ireland E, Sharman S, Excell D, Gonzalez-Ordenez D, '*Patterns of Play: analysis of data from machines in bookmakers*', (Responsible Gambling Trust), 2014

⁸ '*Gambling behaviour is affected by a number of characteristics including personal, structural and situational characteristics. (e.g., Abbott, 2007; Abbott, Bellringer, Volberg & Reith, 2004; Blaszczyński & Nower, 2002; Griffiths & Parke, 2003; Parke & Griffiths, 2007; Shaffer et al, 2004) , Qualitative Study into Machine Gamblers PDF Download Available:*

https://www.researchgate.net/publication/237225077_Qualitative_Study_into_Machine_Gamblers

in terms of premises. Gambling Commission figures for 2014-17, for example, confirm that there are 8,502 betting premises, 583 bingo premises, 146 casinos, and 1,750 licensed arcades.⁹ That B2s account for two thirds (66.2%) of the total EGM GGY should not, perhaps, be a surprise.

The opening of multiple outlets, presumably to circumnavigate B2 allocation limits, has led to their concentration and significantly increased accessibility, often in areas of high deprivation¹⁰. That the industry is aware of the higher levels of problem and at-risk gamblers living in these areas suggests a worrying priority being given to fiscal advantage over social responsibility concerns.

Easy access to high stake gambling in locations such as high streets (not easily avoided in people's daily lives) makes problems more likely to develop, and desistance harder to establish as the betting shop 'triggers' are so frequent. This has served to amplify and intensify problems for many problem and at-risk gamblers. Such impacts are felt not just by individual gamblers themselves, but also by their families and the wider community, including public services and local businesses.

Data from the Loyalty Card study illustrated the frequency with which those on the lowest incomes gambled, facilitated by the proximity of multiple LBOs:

- 42% of those with an income under £10,200 were playing FOBTs 2-3 times a week or more (11% every day or almost every day; 7% 4-5 days a week; and 24% 2-3 days per week)
- 40% of those with an income of up to £16k had a similar pattern. The study also found 'number of playing days' was the single most influential variable in the predictive model for problem gambling.¹¹

Displacement

Several companies appear to have been actively developing their business models to enhance the attractiveness of B3s in anticipation of a B2 stake reduction:

*'Machines net revenue was 4% ahead of last year with lower staking B3 slots gross win growing by 10%, driven by a strong product offering including a wide range of in-house developed games.'*¹²

Clearly, there is a risk of displacement from B2 to B3 machines and online gambling following the reduction of B2 maximum stakes. Dr Jonathan Parke's recent research, for example, calculates the potential hourly loss on B3s to be £230 (compared with £468 currently on B2s), and highlights the addictive nature of B3s given their faster spin speed.

However, we do not think that possible displacement is an argument for reducing the FOBT stake less substantially. Rather, we think it important to develop a holistic public health approach to all EGMs, and research specifically focused on identifying the mix of risk factors at work in B3 play.

⁹ <http://live-gamblecom.cloud.contensis.com/PDF/survey-data/Gambling-industry-statistics.pdf>

¹⁰ Newham, for example, is the 25th most deprived local authority in England, yet it currently has 81 betting shops across the borough and 12 in one street alone.

¹¹ Excell D, Bobashev G, Wardle H, Gonzalez-Ordenez D, Whitehead T, Morris RJ & Ruddle P, *Predicting problem gambling: An analysis of industry data* (London: Responsible Gambling Trust), 2014

¹² Building a Better Ladbroke's, 2015 and Ladbroke's' 2106 report 'A Shared Goal'

The displacement argument also does not take into account the fact that a reduction in stake size is likely to have a positive preventative impact for future online gamblers. Many problematic online gamblers have a pre-existing land-based gambling problem, which they take with them onto the inherently high risk online platforms.¹³

Impact on non-problem gamblers

It has been argued that a low stake size might adversely affect non-problem gamblers, as indeed it is in the DCMS impact assessment. However, we believe that these numbers have been overstated. In the analysis of a large, non-loyalty card sample, 16% of sessions were only for B3s i.e. these gamblers are already staking at £2 or less; furthermore, stake sizes chosen in this sample group were £2 or less up to the 70th centile.¹⁴

Non-problem gamblers' objection to a maximum stake of £2 would appear to be a widely-held assumption; we are not aware of any evidence to support this view. Attitudes to stake reduction across the wider gambling population would need to be canvassed in the research programme, but this has not been undertaken to date. One recent international example, an Australian study in 2017¹⁵ which conducted online study of 500 adolescents and adults, found strong agreement with reducing and restricting EGMs, and providing more public education for both adults and children about the negative consequences from gambling.

The Australian Productivity Commission faced the same question in relation to the impact on non problem gamblers. We suggest that its conclusion represents an important consideration for this consultation:

*'The question is not whether there are **any** adverse effects on recreational gamblers, but whether these are so great as to disregard the benefits of lower bet limits for gamblers experiencing harm. The evidence about average bet sizes and the results of the existing research suggests that the adverse effects on recreational gamblers would not be extensive.'*¹⁶

Families and communities

The number of those who experience harm as a result of gambling by others will be considerably greater than the number of people who harm themselves. The effect on people that have chosen not to gamble themselves is an important justification for taking actions at a population level.¹⁷

Equality

We also write from our concern as Quakers with equality. There is substantial evidence that problem gambling is disproportionately experienced in disadvantaged communities and within minority ethnic groups. We believe public policy should address, and try to change, this pattern of inequality.

13 Gainsbury S, Russell A, Hing N, et al, (2014), *'The prevalence and determinants of problem gambling in Australia: Assessing the impact of interactive gambling and new technologies'*, Psychology of Addictive Behaviours; 28(3): 769-779

14 Wardle H, Ireland E, Sharman S, Excell D, Gonzalez-Ordóñez D, *'Patterns of play: analysis of data from machines in bookmakers'*, p22 (London: Responsible Gambling Trust) (2015)

15 Thomas SL, Randle M, Bestman A, Pitt H, Bowe SJ, Cowlishaw S, Daube M, *'Public attitudes towards gambling product harm and harm reduction strategies: an online study of 16-88 year olds in Victoria, Australia'*, 2017

16 Ibid

17 Gambling related harm as a public health issue, Position paper, RSGB (2016)

The economic case

The industry's justification to maintain current stake levels includes concerns about business viability in response, we would wish to highlight that betting shops represent fewer benefits to either local employment or economies. For example, a 2013 study¹⁸ suggested that the total annual wage bill in areas where FOBTs are established will be reduced by around £700m, and net tax receipts will be reduced by £120m, over the next ten years due to FOBTs' expansion. It also estimated that as many as 20,000 jobs are lost in the wider consumer economy for every £1bn lost on FOBTs, whilst only 7,000 jobs are created in the betting industry, due in part to the increasing practice of single staffing in major betting outlets.

The IPPR's 2016 report¹⁹ approximates excess fiscal costs of problem gambling. Whilst the authors stress that such calculations are highly complex, they suggest that the UK annual total is between £260m- £1.16bn, of which the cost to the NHS (primary and secondary mental health services and hospital admissions) is around £180m -£760m.

Clearly, the tax revenue from the gambling industry is a significant consideration for the government when assessing the relative benefits of maximum stake size reduction at different levels. The impact statement accompanying the consultation used industry data and complex modelling to estimate the relative costs for the various stake reductions being proposed. We hope that the very considerable gambling-related costs to the public purse will also be used to inform the ultimate decision. Many of the human costs, such as mental ill health, marital breakdown or suicide, are incalculable.

Q2: Do you agree with the government's proposals to maintain the status quo on category B1?

We support the maintenance of the status quo regarding B1 machines in casinos. Changes to the maximum progressive jackpot and in maximum prize levels on single machines, made in 2014 were significant and there is no evidence-based rationale for further increases.

The relatively limited accessibility of casinos, and current restrictions on cash deposits and transfers go some way to limiting limit exposure to the harms associated with B1s. However, a 2016 study of B1s and casinos found that 20% of visits resulted in a loss of more than £100, and 3.3% in a loss of more than £300.

*'While typical use of gaming machines is at a modest level, there are significant numbers of players who engage in visits with 'high' expenditures of money and time, where the notion that many of them may experience harm is more plausible.'*²⁰

Q3: Do you agree with the government's proposals to maintain the status quo on category B3?

We agree with the government's proposals to maintain the current maximum stake for B3 machines and welcome the government's assertion both that there is '*a case for greater player protection on this category of machine*' and that there is a need for consistency in player protection measures across B1, B2 and B3 machines.

¹⁸ Reed, H, '*The Economic Impact of Fixed Odds Betting Terminals*', Landman Economics, 2013

¹⁹ Thorley C, Stirling A, Huynh E, '*Cards on the Table – the cost to government associated with people who are problem gamblers*', Institute for Public Policy Research (supported by GambleAware), 2016
https://about.gambleaware.org/media/1367/cards-on-the-table_dec16.pdf

²⁰ Forrest D and McHale I, '*Tracked play on B1 gaming machines in British casinos*', 2016

The Loyalty Card research reported problem rates among players, including the proportions of B2/B3 combined play but did not report problem rates on people who were *only* using B3 machines to gamble, because B2 play was the focus of the research. It might well be, however, that the dataset *does* contain information on B3-only problem rates. If so, this would give a direct comparison between B2 and B3 problem rates from the same sample, and would be immensely valuable in considering the risks of displacement and future policy decisions relating to this category of EGM.

Once the maximum stake for B2s has been reduced, it will be important to include a thorough and independent evaluation into displacement patterns in the research programme.

Q4: Do you agree with the government's proposals to maintain the status quo on category B3A?

Q5: Do you agree with the government's proposals to maintain the status quo on category B4?

In the absence of proposals relating to changes for these categories of machine, we support the maintenance of the status quo.

Q6: Do you agree with the government's proposals to maintain the status quo on category C?

We agree with these proposals. The rationale for not permitting B3 machines in pubs recognises that their higher stakes and spin speeds represent a higher level of potential risk. To adjust stakes for category C machines, and therefore to bring them into line with B3s but without the additional protections and supervision available in an LBO, is contrary to the government's stated aim regarding player protection. The location of fruit machines in pubs further increases risks of problematic play, given the disinhibiting effects of alcohol.

Q7: Do you agree with the government's proposals to maintain the status quo on category D?

We agree with the government's proposal to maintain the status quo on category D machines and strongly support the evidence, cited in the consultation, that involvement of children and young people in gambling on these machines may lead to the risk of future gambling problems in adult life. We note that the industry has not proposed any strengthening of player protection measures, and welcome that this has informed the government's proposals in this area. In the past QAAD has argued for no gambling to be made available to children on any machines/activities, in view of the evidence that later problem rates are higher among children/minors who gamble – but if this is not to happen, no increase in stake is certainly necessary.

A key focus of GambleAware's 5th Harm Minimisation conference (December 2017) was on risks to children and young people, and reference was made to the progressive blurring of gaming and gambling, particularly given the growth of online products. This was seen as contributing to the normalisation of gambling and, potentially 'training' the next generation in skills and perceptions that could subsequently transfer to the adult gambling environment. Any change that might stimulate growth in young people's use of these machines in particular would, we believe, be further cause for concern and we welcome the GC's investigations in this area.

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

We question whether the government's rationale for increasing the stake and prize levels in this category is in line with its stated aim to protect vulnerable people. The consultation states that '*the current use of prize gaming does not pose significant risks*', based, it seems only on the view that that '*it provides 'a more elderly clientele a longer, more sociable opportunity, akin to bingo, but at reduced stake and prize levels in a more convenient location*'. We suggest that, if this is the case, there is no justification for raising stakes and prizes which could only lead to a corresponding

increase in risk for vulnerable participants. For some, ‘harmless fun’ could swiftly progress into a more serious focus on risk and reward.

In addition, the typical location for prize gaming is in coastal resorts, many of which are known to suffer from economic and social deprivation. Some are also characterised by a transient population, including those with complex and multiple needs, where family and other social networks may be limited or absent altogether. For all of these reasons, we suggest that caution is necessary.

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

Casinos

We agree with the proposed maintenance of current allocations for casinos. Notwithstanding the progress that has been made to strengthen player protection in these venues, we note that the impact of these measures has yet to be evaluated. It is also the case that current casino allocations are generous and diverse, and casinos are open through the night or 24/7. The B1 study²¹ shows that higher rates of risky gambling in casinos i.e. higher spends occur late at night/in the early hours of the morning. This should be addressed with further research and specific vigilance/increased intervention by the industry. As in the case of pubs, the availability of alcohol may further exacerbate problematic gambling behaviour.

Adult gaming centres

We welcome the government’s caution in response to the industry’s proposal to introduce a new machine with a maximum £10 stake and £125 prize and with a high spin speed of 30 seconds. With all the evidence available highlighting the risks related to highly accessible EGMs, and the fact that problematic gambling often features multiple format play, such a machine can only represent a source of further risk to those vulnerable to gambling addiction. We support the government’s view that an evaluation of the consultation’s other measures would need to be completed before this could be considered.

Pubs

We agree that there should be no increase for the allocation of machines in pubs whilst continuing to question their presence in licensed premises at all. As the consultation points out, these are ‘ambient gambling environments’, without enhanced social responsibility measures or supervision, and with the sale of alcohol as an added risk factor for some players. We are also concerned that any increased allocation would further normalise gambling behaviour for children and adolescents visiting pubs with adult relatives or friends.

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

We agree with the government’s view that this would represent a backward step. Evidence confirms that ‘friction’, for example breaks in play due to spending limits being reached, or having to leave the venue to withdraw further cash, provides an important element of protection.

The industry’s rationale, that an introduction of contactless payments would be consistent with general consumer behaviour, assumes that the industry’s customers would welcome such a change. However, one qualitative study which interviewed machine gamblers about their attitudes and

²¹ Ibid

behavioural patterns described strategies which problem and at-risk gamblers said they had developed to try to limit their spending, albeit not always successfully:

'If I go on a night out I'll take out the money I want to play with and leave my bank card at the house because, I've done it before, my wages have come through, I've gone out and taken my bank card and I've woken up in the morning and there's no money in my bank account.' (At-risk Gambler)²²

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

We welcome the new emphasis on social responsibility from all quarters, and see as very positive that action is now being taken to put the range of player protection measures described in the consultation into practice, particularly the proposed prohibition of combined B2/B3 play. We also welcome the launch of the Player Awareness Scheme, although it is disappointing that clear evidence of their impact has yet to be established. It is also disappointing that the launch of GAMSTOP has been delayed until spring 2018. Evaluation of their impact, and further investigation of best practice evidenced by international studies, will be important.

However, our view is that the social responsibility agenda continues to be limited by what the industry is ready to accept, and by the terms on which they are prepared to share their data. We stress the importance of promising initiatives being independently identified, and put into a coherent plan for research and piloting.

We were encouraged to hear Kate Lampard's opening statement at the GambleAware conference in December 2017:

*'The testosterone needs to make way for more enlightened women and men who take a long term view, caring not for short-term profits but instead for sustainable businesses that understand socially responsible behaviour, which is culturally embedded, and seen as a necessary foundation for success not a decoration to be flaunted on special occasions.'*²³

The Product-Based Harm Minimisation report commissioned by Gamble Aware²⁴ suggested several evidence-based areas for harm minimisation with regard to machines, some of which may be relevant to other forms of gambling. Amongst the interventions the authors list as having a high or medium evidence-base, and therefore very likely to be effective, are:

- restrictions on access to funds in gambling venues (including by remote loading via ATMs, debit cards or gambling wallets);
- facilitating rather than inhibiting withdrawal decisions, including through the 'choice architecture' of machine design (a consideration that also applies to internet gambling);
- restricting incentives that may encourage an increase in stake-size;
- the removal of the auto-play function.

²² Thompson M, Hollings, 'Qualitative Study into Machine Gamblers', Gambling Commission, 2009

²³ Kate Lampard, opening statement at the 5th Annual Harm-minimisation Conference, 6th December, 2017

²⁴ Parke, J., Parke, A., and Blaszczynski, A. (2016), 'Key Issues in Product-based Harm Minimisation: Examining theory, evidence and policy issues relevant to Great Britain'. 10.13140/RG.2.2.30894.10560.

We note that the auto-play function was identified as a matter for concern in the first report of the Gambling Commission of 2005-6, but no serious action or research has taken place.

The same report also identifies evidence-based priorities for further research, including:

- 'post event pauses' i.e. restricting re-betting immediately after a gambling session
- 'in running' sports betting (an obviously high-risk form of gambling because of its speed and intensity)

As far as we can gather, these areas do not seem to be included in the Gamble Aware programme of research. Some are suitable for action and others for trialling. Trialling relates to our wider reservation about the industry being given the leading role in selecting the harm reduction measures they adopt.

However, we do not think that this can substitute for effective regulation of well-evidenced, structural risk factors such as allocations, accessibility and machine features, including stake size. Rather, regulation (focused as it is on prevention) and secondary measures (which generally involve harm reduction) both need to be strong, and work together in a common framework. In this context, it is encouraging to see recent strengthening of regulation by the Gambling Commission and steps taken by GambleAware to increase its independence.

We suggest that it is important to remain alert to the relatively low predictive power of algorithms and behavioural analytic models in identifying problem gamblers. In addition, the effectiveness of any interventions based on behavioural analytics will strongly depend on a player's motivation to reduce or stop their problematic gambling. Many problem and at risk gamblers will be aware (and wary of) industry tools which could be used to identify and target them. Gambling is described as a 'hidden' addiction for good reason. Some will gamble peripatetically, aided by the proximity of multiple LBOs. The use of different betting firms and multiple online and terrestrial IDs serve to obfuscate tracking systems. Similarly, Thompson & Hollings' study of gaming machine users²⁵ confirmed player scepticism about Loyalty Cards:

'Use of player or loyalty cards as a social responsibility measure was viewed with scepticism by participants. None of the respondents were using cards at the time and while they could see them as being used by venues for marketing and promotions, they were doubtful of their applicability in a social responsibility context.'

Such models are designed to flag problems which have already been established. A more effective public health approach would be to reduce the range of stake sizes by cutting the maximum EGM stake to a single, low level. This would act preventatively to reduce the risk of variable staking, shown to be a highly significant factor in chaotic problem gambling behaviour.

As a further consideration, tools such as Gamgard, and another described in an International Gambling Studies report²⁶ have been developed that assess the risks of machines in relation to known risk factors including situational factors such as availability. These have been used by businesses, but could be used by governments (as they are in British Columbia). For example, they could have a threshold of risk for machines, above which licences would not be issued. Again, this

²⁵ Ibid

²⁶ Meyer G, Fiebig M, Häfeli J & Mörsen C, 'Development of an assessment tool to evaluate the risk potential of different gambling types', International Gambling Studies,(2011), 11:2, 221-236

would be a preventative measure, compared with the largely retrospective measures being considered after evidence of problems has emerged.

We suggest that measures selected for implementation are piloted and robustly evaluated, ideally by independent researchers who would be able to assess relative strengths and scope for improvement objectively. Genuinely effective evaluation can only be possible if there are high levels of transparency and cooperation from the industry including the sharing of raw rather than worked data. We hope this will be encouraged by the Gambling Commission and GambleAware.

While the responsible gambling measures proposed are helpful, we are concerned that they do not extend to business planning and promotional activity. A notable example relates to B2s. The Loyalty Cardholders report concluded:

*'This research has some implications for marketing and promotional activity to loyalty card customers. Findings from this study suggest that those who have loyalty cards may be at higher risk of problems. It suggests that operators should think carefully about the level and type of promotions offered to these customers, or at least consider balancing these promotions with responsible gambling messages.'*²⁷

Notwithstanding this, the industry developed new B3 games and marketed them to customers of known vulnerability, seemingly without any particular responsible gambling measures. They similarly marketed on-line gambling to their customers, including in ways that increased access to funds - another risk factor:

*'To give shop customers access to engaging products that have already proven popular with Online's customers, we have launched the Plus card and app. The card links a customer's SSBTs [self-service betting terminals] transactions to their account, which is linked to their mobile phone number. The app allows them to track those bets and Cash In once they have left the shop. As their account is linked to a mobile phone number, we can also send offers to shop customers through push notifications for the first time... In the second half of the year, we will launch the first phase of an 'omni wallet', making it even easier for existing Online customers to use their account funds in shop.'*²⁸

A further significant concern is that independent, health-based information on gambling-related risks are not being made available to consumers at the point of consumption. In other jurisdictions, clear, unequivocal information is given about the risks of gambling, and of particular forms of gambling. For example, the New Zealand Problem Gambling Foundation states:

'... Pokies are the most harmful form of gambling. The majority of people who seek help for their gambling problems do so because of non-casino pokies (i.e. those found in pubs). Casino gambling (including pokies and table games) is the second largest category.' and *'While many people gamble safely, a significant number of people are still being harmed by their own or someone else's gambling.'*²⁹

²⁷ Ibid

²⁸ www.williamhillplc.com/media/11914/wmh-half-year-results-statement-020817.pdf

²⁹ https://www.pgfbnz.org.nz/uploads/7/1/9/2/71924231/fs01-gambling_in_new_zealand.pdf

By contrast, the William Hill 'Responsible Gambling' page states: *'According to academic experts, a problem gambler typically uses six to seven gambling products regularly. There is no evidence that any particular product is more harmful than any other.'*³⁰; Ladbrooke's Responsible Gambling strategy states: *'for a small number of people, we know that gambling can cause personal, social, financial or health problems'*.³¹

While it is welcome that the industry is willing to trial measures that could identify existing problems, some companies are still using marketing strategies that do not conform to responsible gambling principles, therefore potentially increasing risks to some of their customers. Problems relating to marketing/promotion are now being identified – for example, in the 'Revealing Reality' report commissioned by Gamble Aware³². However, it seems that important recommendations for a more responsible approach, including an emphasis on prevention, are not yet being adopted consistently by the industry - and there is seemingly no current structure or requirement for this to happen.

In response to these concerns, we would like to offer the following suggestions:

- The Gambling Commission's Annual Assurance Statement of gambling business include a prospective section on how their business plans - and specifically on their marketing and promotional activities - will conform to responsible gambling principles.
- The consultation is light on indicators of progress and outcomes as regards harm reduction measures for both machines and on-line gambling. We suggest progress against responsible gambling principles are adopted as a government aim following this consultation, and reported on by the bodies involved.
- Codes are strengthened to prevent misleading or partial forms of advice, and instead require that full and accurate information be given. Best practice suggests that if this information is linked to self-monitoring tools of time or spend, it may increase their uptake.
- Independent health-based information along the lines that has been produced in other jurisdictions is developed. Engagement in multiple forms of gambling, very frequent gambling, and higher-risk forms of fast, continuous gambling, should be identified within such literature, as it is elsewhere.

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

We are encouraged to see the strengthening of regulation in relation to online, including offshore operators. We believe it is critical to establish a consistent and comprehensive approach to player protection across all formats and platforms, in recognition that the most problematic gambling behaviour is linked to multiple forms.

It is very disappointing that whilst the government's Internet Safety Strategy highlighted concerns relating to substance misuse, mental health and other key risks, it made no mention of gambling risks and harms.

³⁰ <https://www.williamhillplc.com/responsibility/responsible-gambling/encouraging-responsible-gambling/>

³¹ <https://responsiblegambling.ladbrokes.com/our-responsible-gambling-policy>

³² Ibid

A Canadian review of 50 gambling sites, focusing specifically on identifying the current practices and tools for setting monetary limits³³, highlighted the following best practice guidelines relating to player protection:

1. Awareness of monetary limiting features on the website

- Make players aware of the ability to set limits (i.e., type and duration) as part of the registration process.
- Provide players with tools that help set money limits on the gambling website (e.g., expense calculators and budget exercises).

2. Setting limits

- Require players to set a deposit limit as part of the registration process or prior to their first play session after creating an account.
- Provide players with options for setting monetary limits. Limits could be set per session, per day, per week or per month.
- Display limits on the player account page and on screen during play.

3. Notification of limits

- Provide players with a warning (e.g., a pop-up message) that informs them of the remaining limit when they are close to reaching their pre-set limit. Provide players with the option to either choose to continue or to stop playing prior to reaching their pre-set limit.
- Provide information about wins and losses or normative feedback about play when notifying players about pre-set limits.
- Automatically log players off once they have reached their pre-set limits.
- Prohibit gambling until the player's pre-set limit expires.

Related issues are addressed in the 'Revealing Reality' report vis-a-vis remote gambling. We agree with the authors that:

*'...gambling companies who are serious about RG may need to consider discontinuing some communications activities that sit in tension with RG outcomes – for example, high frequency promotional messages or time-limited offers. More specifically, the research team encountered numerous examples of player-focussed communication that would likely trigger well-evidenced psychological biases to the detriment of players, which are clearly at odds with RG principles...'*³⁴

The report drew attention to the critical issue of money access/limits as regards remote gambling:

'At the time of writing it also took seconds to find operator websites with extremely high default spending limits, including one set to £99,999...easy-to-find, everyday examples like this, where operators have stated that they are committed to RG (the option to set limits being one such initiative) but have then undermined their efforts in execution – and in extreme cases like the limit-setting highlighted above have deployed them, knowingly or not, in a way that encourages irresponsible behaviour – illustrate clear double standards around RG.'

³³ Lucar C, Wiebe J, Philander K, 'Monetary Limits Tools for Internet Gamblers: A Review of their Availability, Implementation and Effectiveness Online', Responsible Gambling Council, Final Report prepared for the Ontario Problem Gambling Research Centre, 2013

³⁴ pps2-3 'Revealing Reality' <https://about.gambleaware.org/media/1581/revealing-reality-igrg-report-for-gambleaware.pdf>

Details available on industry websites suggests that existing knowledge and guidance about responsible gambling is not currently being followed consistently. We suggest that either the industry is given a set timescale to review its practices, or that regulatory codes need to be tightened further to ensure that this happens. We look forward to the introduction of the further measures which are currently in development, and hope that these will be rigorously piloted and evaluated.

Q13: Do you support this package of measures to the address concerns about gambling advertising?

We welcome and support the breadth of measures proposed in the consultation relating to gambling advertising. We particularly support the call from a mental health campaign group, cited in section 5.52, to ban broadcast adverts between 12am – 6am to protect those in mental ill-health and/or impaired by drink and drugs. This would also further help to protect problem gamblers, irrespective of any additional problematic factors or addictions in their lives.

We support the view that the growth of online betting and the consequent availability of gambling opportunities at all times of day and night will require greater and demonstrable responsibility being taken by the industry. It remains to be seen whether the intrinsic purpose of advertising and marketing, and the development of ever more sophisticated means for personalised messaging and targeting of individuals online, can be balanced effectively with this objective.

We also welcome the commissioning of new research into the effects of marketing and advertising on children, young people and vulnerable groups by GambleAware. We are, however, concerned by the suggestion in the consultation (5.61), referring to the 2014 evidence from Per Binde, that the impact of advertising is ‘*rather small*’. Clearly, advertising is one amongst many factors which drive problematic gambling. However, the advertising landscape and its sophistication is changing fast, particularly in view of the rapid growth of social media and online betting. Recent international research, two examples of which we summarise below, indicate growing evidence of its impact and the need for more robust protection for young and vulnerable people, and the population as a whole:

- One Australian study³⁵, interviewing children aged 8-16 years old, found that children's perceptions of the popularity of different products were shaped by what they had seen or heard about these products, whether through family activities, the media (and in particular marketing), and/or the alignment of gambling products with sport. Children's gambling behaviours were influenced by family members and culturally valued events and many children indicated a key factor influencing their consumption intentions towards sports betting was the marketing and advertising of gambling products (and in particular sports betting).
- Another study³⁶, also from Australia, interviewed young men aged 20 – 37 who gambled on sports. This found that most of the environments in which participants reported seeing or hearing betting advertisements were not in environments specifically designed for betting. Participants described that the saturation of marketing for betting products, including through sports-based commentary and sports programming, normalised betting. They confirmed that the inducements offered by the industry were effective strategies in getting themselves (and other young men) to bet on sports. Inducements were also linked with feelings of greater control over betting

³⁵ Pitt H, Thomas SL, Bestman A, Daube M, Derevensky J., *Factors that influence children's gambling attitudes and consumption intentions: lessons for gambling harm prevention research, policies and advocacy strategies*, 2017

³⁶ Deans EG, Thomas SL, Derevensky J, Daube M, ‘*The influence of marketing on the sports betting attitudes and consumption behaviours of young men: implications for harm reduction and prevention strategies*’, 2017

outcomes and stimulated some individuals to sign up with more than one betting provider. The study concluded that legislators must begin to consider the cultural lag between an evolving gambling landscape, which supports sophisticated marketing strategies, and effective policies and practices which aim to reduce and prevent gambling harm.

Whilst there is a 9pm watershed for gambling advertisement, sports events are excluded, leaving children and young people exposed to significant gambling-related content, particularly when watching football matches. In October 2017, a BBC study³⁷ found up to 95% TV advertising breaks during live UK football matches featured at least one gambling advert; one in five of the commercials broadcast across 25 matches were for betting firms, rising to more than one in three for some games.

In addition, nine of the twenty UK's premier league teams are sponsored by the industry currently, their logos prominently displayed during matches and post-match coverage. Tom Watson, Shadow Secretary of State for DCMS, has highlighted the need to ban shirt sponsorship by betting companies to protect children and young people:

*'Shirt sponsorship sends out a message that football clubs don't take problem gambling among their own fans seriously enough. It puts gambling brands in front of fans of all ages, not just at matches but on broadcasts and highlights packages on both commercial television and the BBC.'*³⁸

The Football Association prohibits youth teams from wearing clothing that displays products considered 'detrimental to the welfare, health or general interests of young persons', including gambling, and ended its £4m sponsorship deal with Ladbrookes in 2017, in recognition of the deal's contradiction with its own stricter enforcement regarding gambling by those connected with the game. We would like to see further research into young people's exposure to ambient, normalising content included in the research programme.

Evidence confirms that gambling advertising appears to have more impact on certain groups of people:

- **Problem gamblers:** Gambling advertising can have particularly negative impacts on problem gamblers. Compared to other gamblers, problem gamblers report gambling advertisements as being a greater stimulation to gamble, a larger influence on spending more than intended, and an encouragement to them to think they can win.³⁹ Problem gamblers also report that gambling advertisements can remind them about gambling, trigger gambling urges, provide inducements to gamble, further increase gambling involvement and undermine attempts to moderate their gambling whilst bonus offers for sports betting, such as money-back guarantees and 'free' bets that require matching deposits appear to particularly increase online gambling among problem gamblers⁴⁰.
- **Youth:** Young people have high exposure to gambling advertising and may be particularly influenced by it⁴¹. Adolescents and children are aware of and can recall specific slogans and

³⁷ <http://www.bbc.co.uk/news/business-41693866>

³⁸ <https://www.theguardian.com/society/2017/sep/06/ban-betting-firms-football-shirts-labour-gambling>

³⁹ Binde, 2014; Clarke et al., 2006; 2007; Schottler Consulting, 2012

⁴⁰ Hing, Cherney et al., 2014

⁴¹ Derevensky et al., 2007; Derevensky, Sklar, Gupta, & Messerlian, 2010; Friend & Ladd, 2009; Korn, Hurson, & Reynolds, 2005; Korn, Reynolds, & Hurson, 2005

jingles and may feel they are being groomed to gamble⁴² Research has also revealed that advertisements can increase adolescents' desire to experiment with gambling and prompt a gambling session⁴³. Greater media exposure to gambling advertisements and promotions has also been associated with more positive youth gambling attitudes and intentions towards gambling⁴⁴. Youth problem gamblers also report stimulation to gamble from gambling advertisements.⁴⁵

- **Online gamblers:** In one study,⁴⁶ 10% of online gamblers reported that marketing and promotions were critical to their initial uptake and 29% reported increased online gambling expenditure as a result of viewing promotions. Whilst this marketing has had less success in converting non-gamblers to gambling.⁴⁷
- **Non-problematic gamblers:** Gambling advertising to date has not been found to motivate many people to commence gambling; however, it can increase gambling among existing gamblers.⁴⁸

Further UK research is needed in this area, and independent evaluation of any initiatives needs to be considered as a matter of priority, given existing research findings which point to the very real consequences of exposing young and vulnerable people to marketing and advertising. We also suggest research is carried out into public views on gambling advertising, as has been done in Australia.

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

It is evident that some parts of the gambling industry have not fulfilled their voluntary commitment to contribute funding for RET, and this needs to be addressed as a priority. There have been indications recently that some parts of the industry are ready to accept the need for a mandatory levy, in the interest of fairness to those who already contribute at the recommended level.

It is clear that growing demands on treatment services will require increased funding, particularly in view of the welcome proposal to extend treatment provision at a regional level. The need to extend and strengthen the UK's research evidence base, and to evaluate impacts and emerging issues, will place further demands on available resources. The forthcoming two year public education campaign is a positive step, and will require further, ongoing reinforcement to ensure its impacts are sustained.

In New Zealand industry contributions are based partly on numbers of participants – including widespread forms of gambling such as lotteries – and partly on the risk/harm levels of particular forms of gambling, which includes data from help-seeking presentations. We would like to see that model considered here.

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

Local authorities currently lack the power to refuse a licence on the grounds that there is already a high concentration of premises/machines, as they are able to regarding alcohol licensing. Over 90

⁴² Amey, 2001; Korn, Hurson et al., 2005; Korn, Reynolds et al., 2005

⁴³ Derevensky et al., 2007; Korn, Hurson et al., 2005; Korn, Reynolds et al., 2005

⁴⁴ Hing, Vitartas & Lamont, 2014; Lee, Lemanski, & Jun, 2008

⁴⁵ Derevensky et al., 2010; Felsher, Derevensky, & Gupta 2004a; 2004b; Korn, Reynolds et al., 2005

⁴⁶ Hing, Gainsbury et al., 2014

⁴⁷ Binde, 2009; Hing, Cherney et al., 2014

⁴⁸ Binde, 2007; 2009; 2014; Derevensky et al., 2010; Hing, Cherney et al., 2014

LAs and the LGA have called for further powers to enable them to tackle the harms and costs related to the growth and concentration of EGMs, and FOBTs in particular. The populations in the poorest areas are often the most affected, and their Authorities are least able to risk costly legal challenges that the gambling industry can fund without difficulty. We therefore suggest a cumulative impact provision would be a helpful first step in addressing this issue. Wider powers, including refusing licences on the grounds of the vulnerability of local populations, would give LA s the tools they need to act preventatively.

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

We are encouraged to hear that DCMS plans to work closely with the Department of Health and Public Health England to agree the scope for commissioning further research into the impact of gambling-related harm on health. There is growing recognition of the need for a greater understanding in this area:

*'The contribution of gambling as a co-factor to the growing health inequalities often goes unrecognised, maybe because public health researchers and policy makers have yet to frame the questions to provide the evidence or action.'*⁴⁹

We are aware too of a growing recognition of co-morbidity between gambling and other addictions, and with mental health. For example, Dr Henrietta Bowden-Jones, Director of the National Problem Gambling Clinic has suggested that gambling addiction is integrated with treatment provision for those being treated for substance misuse:

*'...an integration of gambling treatment service provision into existing drug and alcohol treatment services, and also for the commissioning of such services to be included within the local public health departments' remit, mirroring drug and alcohol treatment services.'*⁵⁰

All parties (including the RGSB) have agreed that problem gambling needs to be considered as a public health issue and that health services need to be involved to a far greater degree than is currently the case. We hope that, with the establishment of a levy, the opportunity will be taken to reconsider the current structures from first principles, in order to make them more independent of the industry and to re-align them much more closely with health provision.

This could occur by devolving treatment budgets to local level, as has been suggested. Another complementary possibility would be for GambleAware to establish closer links with the Department of Health at national level, by ensuring, for example, health membership on GambleAware's board of governance, and reciprocal, expert gambling treatment representation in public health structures. The most radical option, but one that we think could helpfully be considered, would be to establish GambleAware's functions as, or within, a Special Health Authority. The aim would be to bring problem gambling service planning and provision into mainstream health thinking and policy.

⁴⁹ 'Is gambling a public health issue?' <http://blogs.bmj.com/bmj/2017/09/28/sian-griffiths-is-gambling-a-public-health-issue/>

⁵⁰ George, S, Bowden-Jones H, 'Treatment provision for gambling disorder in Britain: call for an integrated addictions treatment and commissioning model', DOI: 10.1192/pb.bp.114.050401 Published 1 June 2016