

RESPONSE TO CONSULTATION ON PROPOSALS FOR CHANGES TO GAMING MACHINES AND SOCIAL RESPONSIBILITY MEASURES

Response submitted by Shipley Estates Limited

Q1. Do you agree that the maximum stake of £100 on B2 machines (FOBTs) should be reduced?

If yes, what alternative maximum stake for B2 machines (FOBTs) do you support?

The DDCMS consultation acknowledges at paragraph 2.11 “that there is limited evidence to inform exactly at what level the revised maximum stake should be”.

The consultation goes on to outline “illustrative options” for consultation with the aim of “seeking to balance the potential impact on the economy and leisure gamblers against the need to reduce gambling related harm”.

As a company that does not operate B2 machines this is not our area of expertise. However, as an operator of B3 slots we feel that we should have product parity with other operators and sectors that operate these games. This means that B3 slots should **not** be available at B2 stakes.

Having a consistent offering for B3 slots with identical stake and prize limits across all high street operators and sectors (including Adult Gaming Centres, Bingo Premises and Betting Shops) is the best way to ensure that consumers understand what they are playing.

Providing consumers with a clear and unequivocal message concerning the level of stakes and prizes being offered by B3 gaming machines provided in different locations enables the relevant operators to comply with their social responsibility obligations.

What we seek is a level playing field. If the Government sets the new limit to £2 for all slot content available on the high street, we would support this. If B3 content can be played in a betting shop at higher stakes, then this should be available for all operators/sectors.

The issue with B2 stakes has dominated previous reviews of stakes and prizes and has created a negative impression of the whole gambling industry. It is important that the Government deals with B2 stakes and prizes in a manner which settles this contentious issue and allows the gambling industry to progress and move forward on so many other issues.

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

We have no comment to make in response to this question.

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

Provided that there is no reduction in the stake and prize limits relating to category B3 gaming machines, we would agree with the Government's proposals at this point in time.

However, once a level playing field has been established, future reviews can consider raising stakes and prizes in line with inflation in a consistent way.

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

We have no comment to make in response to this question.

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

We have no comment to make in response to this question.

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

We have no comment to make in response to this question.

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

In order to reduce the administrative burden on operators we would seek a change in respect of the maximum stakes and prizes for Category D (money prize) gaming machines located in adult gaming centres and licensed bingo premises as follows:

- maximum prize £10.00 (currently £5.00)
- maximum stake 20p (currently 10p)

Increasing the stake and prize limits on category D (money prize) machines in bingo premises and adult gaming centres to tie in with stake and prize thresholds for Machine Games Duty would make it easier for operators and regulators to monitor, report and regulate.

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

We have no reason to disagree with this proposal.

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

We have no comment to make in response to this question.

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

We do not agree with the Government's proposals regarding contactless payments.

The consultation states at paragraph 4.21 that "industry respondents cited the increasing contactless payments on the high street as the primary rationale for change". There are other factors which carry the same, if not more weight which support the argument in favour of contactless payments by debit card.

The argument is not just for the ability to make contactless payments by debit card.

A large leisure operator has recently announced that it is testing a new cashless amusement offer in order to meet customer needs and demands.

In the light of this information, we would ask the Government to consider all forms of cashless payment, including contactless payments by debit card.

It is not our proposal to allow credit cards to be used as a method of payment for gaming machines.

However, it would reflect the changes in technology and culture to allow payment for use of a gaming machine to be made by way of a cashless payment method, including contactless payment by debit card.

The proposal to allow payment by way of debit card would also recognise the fact that such cards may already be used in gambling premises in order to obtain cash from ATM machines which are lawfully sited on the premises.

The use of debit cards and other cashless payment methods would provide enhanced protection to members of staff employed in gambling premises by reducing the amount of cash which they would be required to manage and handle.

The use of cashless payment methods could also be used to monitor patterns of gambling and as a means of providing enhanced protection for consumers by instigating interaction and assisting exclusion where appropriate.

Allowing the use of cashless payment methods to play a gaming machine would provide greater transparency by creating a record of payments made on a particular

activity. This would benefit the customer and, in some circumstances, others including the authorities.

By way of example, technology now exists which gives customers real-time control over how their debit card is used, providing enhanced protection against fraud and improved budgeting support.

A system has recently been introduced which allows customers to turn their debit card "on" or "off". When the card is "off", no withdrawals or purchases will be approved, with the exception of previously authorised or recurring transactions. Additionally, transaction controls can be set according to location, meaning transactions attempted outside of the geographic parameters set by the customer will be declined.

The technology also allows customers to manage their spending by establishing limits for debit card purchases based on the amount of the transaction. Additional controls can be set to manage spending in different categories by enabling or disabling transactions for certain merchant groups.

It is proposed that a customer would be able to utilise a debit card to play a gaming machine in a similar way to which they are currently able to use an ATM within gambling premises. The only difference being the provision of additional social responsibility messaging provided on the gaming machine.

Similar controls and benefits apply to other cashless payment methods.

In further support of cashless payment methods, John Howells, the head of Link (the free ATM network), believes that payments with paper money will gradually become obsolete and cash machines are likely to vanish from the high street within 10 years.

Concern at the reduction in high street cashpoints has also been expressed by Nicky Morgan MP who said "there have been concerns that the proposals could lead to "ATM deserts" for communities".

By refusing to allow the use of cashless payment methods, the Government is placing non-remote gambling operators at a disadvantage. It not only restricts innovation but also ignores the positive social responsibility benefits that can be gained.

It is imperative that action is taken immediately in order to arrest the decline in the number of gambling premises and to enable growth within an area of the industry that has demonstrated that it is socially responsible and operates without detriment to consumers and communities.

We would therefore ask the Government to allow the use of cashless payment methods, including contactless payment by debit card, as a direct form of payment to gaming machines.

With that in mind, we would suggest the immediate establishment of a working group with responsibility for advising the Government upon the introduction of our proposal.

Q.11 Do you support this package of measures to improve player protection measures on gaming machines?

We do not support this package of measures.

However, we do agree with the statement contained in paragraph 5.3 of the consultation that “there is value in trialling interventions and further refining and evaluating as appropriate”.

As a socially responsible operator we would consider supporting improved player protection measures on gaming machines provided that they have been the subject of meaningful trials which have produced results which are capable of proper evaluation.

On the basis that the trials have established a strong evidence base to support the need and proportionality for introducing any improved player protection measures we can see no reason why we would be opposed to their implementation.

Q.12 Do you support this package of measures to improve player protection measures for the online sector?

We have no comment to make in response to this question.

Q.13 Do you support this package of measures to address concerns about gambling advertising?

We have no comment to make in response to this question.

Q.14 Do you agree that the Government should consider alternative options including a mandatory levy if industry does not provide adequate funding for RET?

We do not consider that there is any need for the government to consider alternative options.

We consider that the current voluntary system should be retained with some refinements.

There should be increased transparency from all parties, including those who make the contributions and those who receive them.

The methods by which contributions can be made to the various organisations would benefit by being set out in clear and unequivocal terms which can be understood by all operators in the industry.

The methods of payment would also benefit from a review in order to simplify the process of collection, including the process of pledges.

Q.15 Do you agree with our assessment of the current powers available to local authorities?

We have no reason to disagree with the assessment of the current powers available to local authorities contained in the consultation.

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 would repeat the proposal contained in the response to question 10 for the establishment of a working group to advise the Government on the implementation of the use of cashless payment methods, including contactless payment by debit card, as a direct form of payment to gaming machines.

We would also seek the re-introduction of the review of stakes and prizes on gaming machines at regular intervals. A more consistent approach to this process will provide the gambling industry with a greater degree of certainty which can form part of future financial planning.

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