

Consultation on proposals for changes to Gaming Machines and Social Responsibility Measures

Draft Response December 2017

Response Submitted: 23rd January 2018

Response submitted by: Hayley Jane Lee – Director of Risk and Compliance, Gala Leisure.

- 1. 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?**

As a bingo operator, Gala Leisure does not have any entitlement to B2 machines and therefore does not have any comment.

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

As a bingo operator, Gala Leisure do not have any entitlement to B1 machines and therefore do not have any comment.

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

Yes, Gala Leisure agrees with the government's proposals to maintain the status quo on category B3 machines.

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

Gala Leisure has no comment on this proposal.

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

Yes, Gala Leisure agrees with the government's proposals to maintain the status quo on category B4 machines.

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

Yes, Gala Leisure agrees with the government's proposals to maintain the status quo on category C machines.

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

Yes, Gala Leisure agrees with the government's proposals to maintain the status quo on category D machines.

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

Yes, Gala Leisure agrees with the government's proposals to increase the stake and prize for prize gaming, in line with industry proposals.

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

Gala Leisure has no comment on these proposals.

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

Gala Leisure believes that the full implications of the benefits available from this option may not have been considered by the DDCMS and we would welcome more work being done to establish the pros and cons in permitting the use of debit cards on machines.

Contactless payment via debit card is becoming increasingly popular among consumers. Gala Leisure believes that the introduction of contactless payments via debit card on Gaming Machines would be a positive move towards a form of player tracking and it seems to us, counter-intuitive that the government have major concerns about money laundering and the use of cash, yet want to block a consumer-friendly means of becoming more cashless and having a transactional audit trail.

We believe allowing contactless payments on gaming machines actually provides increased player protections. It is a more responsible method of payment than that of anonymous cash, due to the restrictions on transactions and spend and the added visibility of gambling spend via bank statements.

Furthermore, we are disappointed that the DCMS have chosen to conflate the use of debit cards with credit cards in their consultation document. We are not aware that any of the responses to the call for evidence have asked for the prohibition of credit cards to be lifted. For government to make such a link can at best be regarded as an inflammatory error in what is a critical issue for the Industry.

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

Gala Leisure strongly supports effective measures to provide better player protection, but only when they are evidence-based and have been proven to be effective and do not have a disproportionate effect on the enjoyment for the majority of players. An evidence-based approach is key in this area. To improve player protection, we need to be able to identify the players who need protection. This can be done either by constant monitoring by staff looking at player patterns, or by the introduction of player tracking on machines. However, constant monitoring is costly, and possibly intrusive.

Gala Leisure believe that player tracking is something that should first be raised with machine manufacturers.

Much of what is proposed is the objective of identifying players who need protection. It is not specific on how this should be done and we believe this to be the key element.

We also feel that the package of measures we are being asked to support lacks clarity.

The detail of the 'tracked play' solution is critical to the following;

- i. Hardware requirements and costs.*
- ii. Software changes - what can be achieved on which machines?*
- iii. Premises infrastructure requirements – entry/access criteria – verification process.*
- iv. Any impact on legacy machines.*
- v. Ease/difficulty (and therefore cost) of communicating changes to both regular and casual players.*
- vi. The loss of income through player disengagement – this is likely to be the biggest cost impact to the Industry.*

It is counter-intuitive to attempt to quantify the costs before the solution is fully defined.

We must also avoid expensive and damaging 'unintended consequences', therefore careful planning and testing/trialling are crucial.

We believe that we should all be considering whether 'electronic payment methods' such as those in Q & A 10 would be a more acceptable, progressive and less disruptive route to implement 'tracked play' for machine players?

Can you provide estimates about (a) the potential implementation and running costs of this package of measures; and (b) the potential delivery timescales for these changes?

Due to the wide disparities between machine manufacturers it is not possible to give a universal standard response to this question for section a or b.

Understanding the objectives is imperative for anyone to be able to scope out what type of solution could be designed/produced. There are considerations associated with not only the costs and time to design etc. but how disruptive this could be to our businesses and the consumer.

Costs associated with something as substantial as this across circa 7,000 machines with different suppliers, machine capabilities etc is prohibitive. Our aspirations would be to obtain this type of data however due to the issues raised we could see our business considering this over a 5-year plan.

Whilst we would prefer to be in a position to provide an accurate response we feel that the lack of clarity in what the package of measures involves prevents any attempts at providing this information in a meaningful way.

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

Gala Leisure currently do not operate an online business, so have no specific comments on this area. However, we welcome any package of protections that ensures greater online player safety.

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

Gala Leisure cannot see anything that would trouble us here.

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 are reluctant to indicate support for any "alternative options" without having more information on the form it is proposed these would take.

We do not support the introduction of a mandatory levy without alternative options being fully exhausted.

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

We welcome the assessment of the current powers available to LAs. We do not feel there is a need for an additional tool, as the issues raised by the LAs can be addressed using existing mechanisms.

16. 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 like to strongly propose that the Triennial review takes place every three years, as standard, as this enables us to better collect evidence which is relevant.