

Call for evidence: player protections on Category B gaming machines

Overview

This call for evidence provides an opportunity for the industry to put forward clear plans to meet the challenges set out in the [Government's Review of Gaming Machines and Social Responsibility Measures](#) (the gambling review). It also seeks to gain further insight into the harm prevention measures already afforded to players of Category B gaming machines.

There are clear incentives for the industry to demonstrate a commitment to enhance the effectiveness of player protections on Category B gaming machines. These include the:

- potential to use player data to understand patterns of play and offer a more personalised customer experience
- prospect of changes to stakes, prizes and machine allowances where industry can demonstrate that it can manage the risk of gambling-related harm effectively
- opportunity to focus on what works and pre-empt more direct regulatory intervention, which could entail mandatory controls or a review of key game characteristics such as speed of play.

Despite this, our recent engagement with industry has highlighted two concerning trends:

- 1 Efforts to develop a clear framework to trial meaningful controls have been inconsistent and, in some instances, non-existent.
- 2 The risks associated with Category B3 machines has been acknowledged by some, but not all sections of the industry.

There has been some progress, with trials to explore different forms of harm prevention such as safer gambling messaging and piloting of tracked play in a number of gambling premises. However, we have seen little evidence of a clear and coherent commitment to explore the risks associated with gambling on all Category B gaming machines.

On 1 April 2019, the maximum stake on Category B2 gaming machines (FOBTs) will be reduced from £100 to £2. As a result, Category B3 machines, sited in arcades and bingo halls, will offer the same maximum stake level as B2s but at 8 times the speed of play and without the same level of built-in player protections (speed of play refers to the length of time it takes to complete a game cycle. On Category B3 machines each game cycle must last at least 2.5 seconds, compared to a minimum of 20 seconds on B2 machines. A game cycle starts when a player presses the 'start button' or otherwise initiates the game, and ends when all money staked or won during the game has either been lost or delivered to, or made available for collection by, the player, and the start button again becomes available to initiate the next game).

In our formal [Advice to Government](#) on the gambling review, we said that we would consider extending existing Category B2 protections to Category B1 and B3 machines. We reached

this conclusion in the light of indicators from player data that the risks associated with B3 machines are similar to the risks associated with B2 machines.

We plan to undertake further analysis of Category B machine data to improve our understanding of patterns of play. We intend to:

- review more recent data to evaluate changes in player behaviour before and after the B2 stake reduction. This will help us to identify whether problematic play on B2s has been diverted onto other category B machines
 - explore options to conduct further analyses in the longer term to monitor the impact of player protection controls on Category B machines.
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User information

1 What is your name?

2 What is your email address?

If you enter your email address, then you will automatically receive an acknowledgement email when you submit your response.

3 What is your organisation?

4 As part of this call for evidence, we may decide to publish your name and organisation on our website to indicate that you have responded to this consultation. We have asked you to indicate your consent to the Commission publishing your name and organisation to indicate you have responded to this call for evidence.

(Required)

Please only select one item

I CONSENT to the publication of my name and organisation to indicate I responded to this consultation

I DO NOT CONSENT to the publication of my name and organisation to indicate I responded to this consultation

Risk of harm

Category B gaming machines are divided into four sub-categories:

- B1 machines, available in casinos, are limited to a maximum stake of £5 and a maximum prize of £10,000
- B2 machines, available in betting and casino premises, from 1 April will be limited to a maximum stake of £2 and a maximum prize of £500.
- B3 machines, available in adult gaming centres, betting, bingo and casino premises are limited to a maximum stake of £2 and a maximum prize of £500.
- B4 machines, available in adult gaming centres, bingo, betting and casino premises and club or miners' welfare institutes (with permits) are limited to a maximum stake of £2 and a maximum prize of £400.

The risks associated with B2 machines were a key concern in the Government's review, which noted the similarity of [expenditure and session duration](#) between B2 roulette and B3 slots. The review also observed that a reduction in B2 stake could prompt some players at risk of harm to migrate to other gambling activities, including B3 machines and online casinos, where they could experience lower, equal or greater levels of harm depending on how they interact with these products.

Whilst we do not have the same level of data on B1 machines, one operator (Rank) made all of its loyalty card machine data available to David Forrest and Ian McHale for research purposes. Forrest and McHale analysed the data and published their research findings. They found significant numbers of players whose visits to casinos involved 'high' expenditures of money and time on machines (for example, more than 11% of visits included more than three hours of machine play, and more than 7% of visits ended with the player having lost more than £200). Our B2 data provided a comparison, although it related to sessions rather than visits. The data indicated that the risks associated with B1 machines are at least comparable with the risks associated with B2 and B3 machines.

In its gambling review, the Government welcomed the Commission's suggestion to consider extending to B1 and B3 machines the gambling management tools (setting of loss and time limits) available on B2 machines. It also encouraged the industry to work proactively with the Commission on further exploring the costs and benefits of tracked play on category B1, B2 and B3 machines.

Harm prevention

In preparing our advice to Government, we reviewed the available evidence and concluded that:

- There is a strong case in principle to make tracked play mandatory across Category B1, B2 and B3 machines
- We would consider extending to Category B1 and B3 machines the kinds of protections, such as player alerts, that are in place on B2 machines
- We would work with the industry and others to review steps to make alert-setting more effective (this could include ending sessions when consumers reach time and money limits).

There has been limited evaluation of the effectiveness of time and monetary alerts in the betting sector, but academic research suggests that giving people the ability to self-regulate and manage their gambling can be an effective way of preventing harm. Time and monetary alerts also provide staff with a more discreet means through which to monitor indicators of harm, such as customers playing through self-imposed limits.

We also consider the potential benefits of tracking machine play across sessions to be significant. In particular, operators would be better equipped to prevent harm because it would allow them to identify players at risk of harm more effectively, and enable them to monitor the effectiveness of any interventions they implement. It would also give players access to better gambling management tools, which could be used across multiple sessions, and help to identify underage and self-excluded players and potential money laundering.

Cost and risks

The regulatory framework places significant weight on protecting vulnerable customers. But, consistent with the principles of better regulation, we also need to consider the costs that operators will incur. We recognise that introducing a requirement to track play would bring associated costs, challenges and potential unintended consequences.

In view of this, we asked trade bodies to provide us with insight into the potential costs of implementing tracked play. Responses have been mixed, reflecting a reluctance, in some areas, to acknowledge the risks associated with B3 machines.

We acknowledge that a significant number of B3 terminals would need to be replaced not only to enable tracked play across sessions, but also to enable monetary and spend alerts in a single session (some machines currently lack the functionality to track play in a single session). However, it is important to account for such costs by comparing with a base case in which existing machines depreciate and are eventually replaced. It is also worth costing options under different assumptions about an implementation timetable. Another option would be to provide a clear plan setting out different, but equally effective, means for detecting and mitigating harmful play.

More generally, industry submissions to the Government's review provided a number of assurances to improve protections on Category B machine play, but progress since has been varied. The National Casino Forum has commenced its pilot into tracked play across participating venues and expects its members to roll out time and monetary alerts to a significant number of casinos. The Association of British Bookmakers' commitment to explore hard-stops, mandatory time/spend alerts and debit card blocking as a supplementary tool to self-exclusion provide examples of how industry could demonstrate progress and potentially reduce the need for further mandated measures.

This call for evidence is an opportunity for trade bodies and operators to inform us properly of the costs, effectiveness and risks in delivering the outcomes of the gambling review. We want to help operators meet their responsibilities to prevent harm to consumers and better address their needs. This will require a readiness from industry to take the lead in shaping

player protections that deliver a positive consumer experience and minimise the risks of harm.

Responding to the call for evidence

In launching this call for evidence we invite respondents to submit:

- 1 evidence of any steps that the industry is taking to explore the measures set out in the gambling review
- 2 assurances on the timescales related to the introduction of these measures or alternative controls
- 3 plans for (or the outcome of) evaluation into player protection measures
- 4 evidence of any implementation issues and, where appropriate, evidence of any alternative measures that meet the concerns highlighted in the gambling review.

We are keen to hear directly from players of Category B machines, to learn from personal experiences how to balance choice and enjoyment against the risks gambling can create for some customers and for wider society. In particular, we would be interested in:

- 1 first-hand accounts of the availability, use and effectiveness of existing controls [e.g. time/spend alerts on FOBTs in betting shops] and;
- 2 insight into the types of gambling management tools that would enable consumers to effectively manage their time and spend on Category B machines.

More broadly, we will take into account the views of the public and other stakeholders in considering the balance between protecting vulnerable people and allowing people to choose how they gamble.

We plan to undertake further analysis of machine data to ascertain the levels of harm, and the effectiveness of controls. We will contact the industry separately with details of the timing and scope of this analysis. We will publish the datasets on our website.

National Strategy – Central Data Repository

We have recently consulted on our [*new national strategy to reduce gambling harms*](#), a key aim of which is to establish a central data repository to enable anonymised information about gambling behaviour to be collated in one place. Our initial focus will be on online gambling data, but the forthcoming data request for patterns of play on Category B machines could inform the strategy's longer-term aim to expand analysis across all sectors in Years 2 and 3.

Industry specific questions

- 1** How do you assure yourself that consumers gambling on Category B machines can do so safe from harm?

- 2** Have you trialled and evaluated the effectiveness of specific customer protections?

Yes

No

What were the results?

3 Please provide an estimate of the timescales and costs for implementing the following:

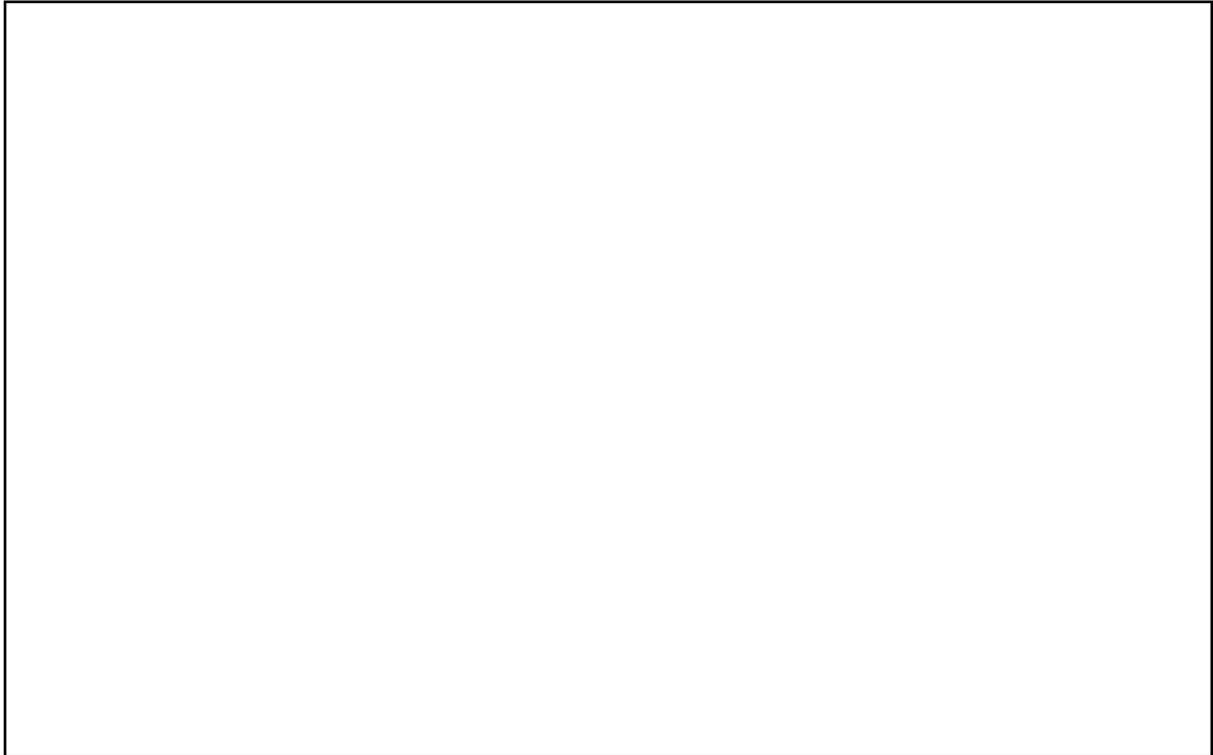
Implementing player alerts (where customer's can set their own time and spend limit and both customers and staff receive a notification when this is met) and/or hard stops (where gaming session ends when limits are triggered) across B1 and B3 machines



Rolling out tracked play across your existing category B estate. Note: we would expect costings to allow for depreciation and eventual replacement of existing machines



Implementing any alternative, but equally effective, means for detecting and mitigating harmful play. When will these be put in place?



4 If you have further observations/questions regarding the content of this call for evidence, please detail these below.

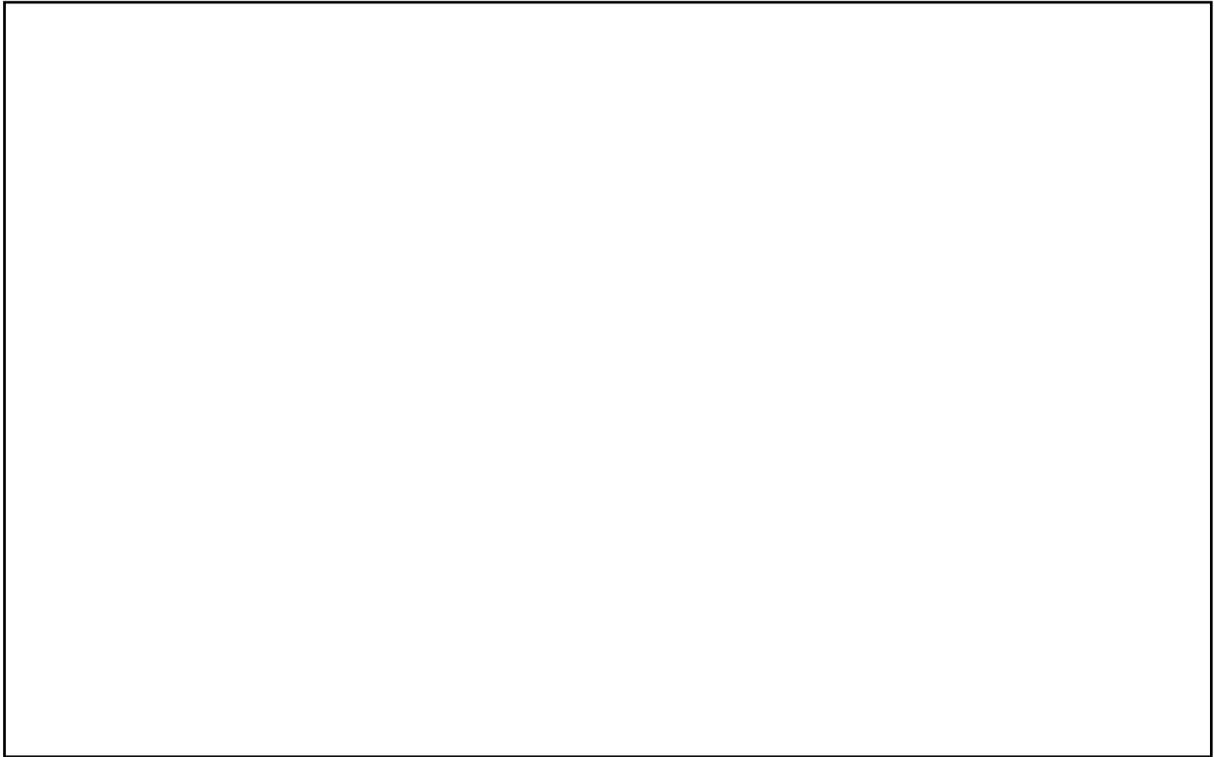


Consumer specific questions

- 1** As a consumer, what has been your experience of using existing gambling management controls, such as time and spend alerts on B2 machines [FOBTs]?

- 2** What type of tools would help you manage the amount of time and money you spend on Category B machines?

- 3** If you have further observations/questions regarding the content of this call for evidence, please detail these below.

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