



Gambling

General Election 2017 Policy Paper

Background

CARE is profoundly concerned about challenges facing the approximately one third of a million problem gamblers in the UK today. We are committed to campaigning for public policy reform to enhance their protection.ⁱ

Problem gambling is profoundly destructive socially, undermining productivity in the workplace, generating significant pressure and hardship in families and can result in family breakdown and even suicide.ⁱⁱ



In doing so we have a particular concern for online gambling, a form of gambling with one of the higher problem prevalence figures.ⁱⁱⁱ Accessible 24-7 without players even having to leave the house or even their bedrooms, online gambling presents a very particular series of challenges. CARE has campaigned for two particular innovations to protect problem gamblers online: one-stop shop self-exclusion and financial transaction blocking.

One-Stop Shop Self-Exclusion

Self-exclusion is a widely accepted mechanism for protecting problem gamblers. Put simply it means that if someone is concerned about their gambling they can approach their gambling provider and request that they are not served for a fixed period of time, say 6 months. From that point onwards the gambling provider is required not to serve the individual in question until the 6 month period is up.

Self-exclusion can work quite well in an off-line context as a person may be able visit all gambling premises in his town easily in one day. However, it is much more difficult to notify every gambling website individually because there are hundreds available.

CARE has campaigned actively for the introduction of a mechanism called 'one-stop shop self-exclusion' enabling online problem gamblers to register their self-exclusion just once with the Gambling Commission with the effect that no licensed gambling provider may then serve the person concerned for the duration of their self-exclusion.



Financial Transaction Blocking

This solution, however, highlights a connected problem of how to prevent illegal providers who don't have a license accessing the UK market. These providers would not be subject to a one stop shop self-exclusion system or other mechanisms designed to protect gamblers because they operate

beyond the law. The answer to this dilemma we believe is financial transaction blocking.

Online gambling depends on online financial transactions facilitated by organisations like Visa and MasterCard. If financial transaction providers are required not to facilitate transactions with illegal gambling providers then illegal gambling would become much more difficult to operate. Quite apart from anything else this will have the great benefit of ensuring that the only providers available are providers that are licensed and are consequently subject to one stop shop self-exclusion.

Fixed Odds Betting Terminals (FOBTs)

In addition to our work on online gambling CARE is also concerned about Fixed Odds Betting Terminals (FOBTs). These FOBTs are a type of gaming machine found in betting shops which allow people to bet large amounts of money repeatedly. FOBTs are highly controversial - with the machines often being dubbed in the press 'the crack cocaine of gambling.' The machines provide different types of games, often roulette and other casino type games, where the stakes are a maximum of £100 with prizes of £500. "Spins" are allowed every 20 seconds. They are distinctive in allowing for a particularly high speed of play, with it being possible for players to place a maximum £100 stake every spin (so every 20 seconds)^{iv} - that is £18,000 per hour.^v It is consequently possible to lose large amounts of money very quickly. Recent analysis has suggested that Britons have lost £11 billion on FOBTs since 2008 with an average loss of £8000 per player.^{vi} There are an estimated 300,000 problem FOBT players who have lost almost £15,000 each.^{vii} CARE campaigns for a reduction in the stakes on FOBT machines from £100 to £2 per spin to protect the most vulnerable from losing huge sums of money.



Gambling in the 2010-2015 Parliament

During the 2010-2015 Parliament CARE's campaigning focused mainly on two issues related to online gambling: "One-stop shop" self-exclusion and financial transaction blocking. On both these issues, although the Government resisted new legislation, steps were taken to implement both mechanisms on a non-statutory basis towards the end of the Parliament.

The Gambling Licensing and Advertising Bill was introduced to Parliament in May 2013 to regulate online gambling providers seeking to access the UK market.^{viii} Whilst the stated justification for taking action was better regulation, CARE was very concerned that the Bill was completely lacking in regulatory teeth and seemed more concerned with advertising, liberalisation and tax revenue enhancement, rather than consumer protection.



During the passage of the Bill, CARE campaigned strongly for one stop shop self-exclusion and Financial Transaction Blocking amendments. We worked with MPs and Peers on amendments to the Bill introducing one stop shop self-exclusion and Financial Transaction Blocking. We also supported amendments promoting the better use of behavioural analytic technology to warn and assist people

developing problem gambling behaviour. The Government opposed the amendments on one stop shop self-exclusion and financial transaction blocking although the former was the subject of a major Report Stage vote in the House of Commons. However, the Government sought a compromise in the House of Lords just before the key Report Stage votes. Although the Government was not willing to accept changes in law Ministers formally asked the Gambling Commission take action on both issues.

Following a consultation in 2014, the Gambling Commission introduced a new licence condition which will require online gambling operators (other than society lottery operators who do not offer instant win games) to participate in a national online self-exclusion scheme once it is developed and available.^{ix} According to the Gambling Commission website that multi-operator online self-exclusion scheme should be operational by the end of 2017.^x

In 2014 the Commission also negotiated an agreement from financial transaction providers Visa Europe, MasterCard and PayPal to provide Financial Transaction Blocking voluntarily.

Gambling in the 2015-2017 Parliament

In the last Parliament CARE's campaigning work focused on reducing the stake for FOBT machines from £100 to £2 per spin.

A maximum £2 stake was proposed in the House of Lords by Lord Clement Jones in a Private Members Bill in March 2016 which CARE supported.^{xi} Later that year the All Party Parliamentary Group on FOBTs conducted an inquiry into the effects of FOBT machines. CARE contributed to the inquiry and we were pleased to see the report published in January 2017 concluded that there was a clear case for reducing the stakes to £2.^{xii}



In October 2016 the Government launched its own consultation on stakes and social responsibility but that report has not yet been published.^{xiii}

Gambling in the coming Parliament – pressures for change

During the course of the next Parliament it will be vital for the Government to ensure the following:

- that the Gambling Commission's one-stop shop self-exclusion scheme becomes operational as soon as possible and will work effectively;
- that the voluntary arrangement is delivering robust and effective Financial Transaction Blocking. If it fails to do so, a statutory solution must be considered once more;
- that the harmful impact of FOBTs is addressed by reducing the stakes to £2;
- the use of behavioural analytic technology is developed so that people are warned as soon as they exhibit problem gambling behaviours and are provided with tools to help them respond appropriately.^{xiv}

Key questions for candidates

1. Will you support new legislation to reduce the stakes permitted on Fixed Odds Betting Terminals (FOBTs) to £2?
2. Will you hold the Government and the Gambling Commission accountable for action to assist problem gamblers include provision of one stop self-exclusion mechanisms online and financial transaction blocking?



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- i Gambling Commission Gambling participation in 2016: behaviour, awareness and attitudes Annual Report February 2017 <http://live-gamblecom.cloud.contensis.com/PDF/survey-data/Gambling-participation-in-2016-behaviour-awareness-and-attitudes.pdf>
 - ii Royal College of Psychiatrists' information leaflet on problem gambling <http://www.rcpsych.ac.uk/healthadvice/problemsdisorders/problemgambling.aspx>
 - iii Gambling Commission UK Problem Gambling Prevalence survey 2010 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/243515/9780108509636.pdf
 - iv Gambling Commission, Machine Standards Category, B2, June 2012, para 5.7 <http://www.gamblingcommission.gov.uk/PDF/Machine-standards-category-B2.pdf>
 - v F.Drury, *Curse of Modern Gambling Must be Curbed*, The Times, 10 March 2016 <https://www.thetimes.co.uk/article/curse-of-modern-gambling-must-be-curbed-x6cppv8b9>
 - vi A. Ellson *Punters lose billions in fixed-odds betting frenzy* The Times 11 May 2017 <https://www.thetimes.co.uk/article/punters-lose-billions-in-fixed-odds-betting-frenzy-smgg9gcqg>
 - vii Ibid.
 - viii <http://services.parliament.uk/bills/2013-14/gamblinglicensingandadvertising/stages.html>
 - ix <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Lords/2015-03-18/HL5831/>
 - x <http://www.gamblingcommission.gov.uk/for-the-public/Safer-gambling/Self-exclusion.aspx>
 - xi Gambling (Categorisation and Use of B2 Gaming Machines) Bill [HL] 2015-16 available at <http://services.parliament.uk/bills/2015-16/gamblingcategorisationanduseofb2gamingmachines.html>
 - xii <http://fobt-appg.com/wp-content/uploads/2017/01/Fixed-Odds-Betting-Terminals-Inquiry-Report-January-2017.pdf>
 - xiii Department for Culture, Media and Sport Review of Gaming Machines and Social Responsibility Measures Call for Evidence launched 24 October 2016 <https://www.gov.uk/government/consultations/call-for-evidence-review-of-gaming-machines-and-social-responsibility-measures>
 - xiv CARE worked with Baroness Howe who raised this in the following debate: <http://www.publications.parliament.uk/pa/ld201314/ldhansrd/text/140114-gc0002.htm#140114109000283>