

Minutes of Meeting

Second Round of Inquiry Sessions of the Fixed Odds Betting Terminals All Party Parliamentary Group Inquiry “Fixed Odds Betting Terminals – Assessing the Impact”

Date: Wednesday 13th December 2017

Time: 2.00pm

Location: Committee Room 16

Chair: Carolyn Harris MP

Minutes taken by: Holly Ramsey, Interel UK

Evidence Heard From:

Session 1

Professor Bev John, University of South Wales

Dr Gareth Roderique-Davies, University of South Wales

Session 2

Christopher Snowdon, Institute of Economic Affairs

Phillip Blond, Respublica

Public Meeting – Session 1, 2:00pm – 3:00pm

- **Carolyn Harris MP (Chair)** began the evidence session of the APPG by welcoming and thanking witnesses **Professor Bev John** and **Dr Gareth Roderique-Davies**, one other member of the questioning panel **Gerald Jones MP**, and members of the public for attending.
- **Carolyn Harris** set out the format for the meeting and explained that the APPG is holding these sessions to supplement its previous report to the Government’s consultation on proposals for changes to Gaming Machines and Social Responsibility Measures. The intention of this session was to hear from academics from the University of South Wales who have recently completed a report into problem gambling in the region, entitled “*An investigation of the social impact of problem gambling in Wales.*”
- **Carolyn Harris** began by asking the witnesses to explain how the report came about.
- **Professor Bev John** said that a request came through from a group of Welsh Assembly members who were interested in getting a group of experts together to look into the impacts of problem gambling in Wales. Budget constraints limited the scope of research to East of Wales. A multi-disciplinary group was assembled with the report envisaged as the first step of a broader research aim that would generate a number of questions.
- **Carolyn Harris** asked if the University was funded to produce the report.
- **Professor Bev John** said that the report was jointly funded by the University of South Wales and Jayne Bryant AM, Mick Antoniw AM, Lesley Griffiths AM, Jane Hutt AM and Ken Skates AM. She explained that Assembly Members have research allocations and these members pooled their allocation to fund the research as all felt there was a problem with gambling in their constituencies.
- **Carolyn Harris** asked what the Assembly Members wanted as an outcome from this research.
- **Professor Bev John** said that she thought the Assembly Members wanted the Welsh Government to use the research to provoke discussions about gambling policy.
- **Carolyn Harris** noted that the Welsh Government’s ability to legislate on gambling is quite limited, and policy change is dependant on

Westminster. She asked what types of gambling behaviours were looked in the report and which appeared to be the most harmful.

- **Professor Bev John** said that a range of gambling behaviours were looked at from the national lottery to Fixed Odds Betting Terminals (FOBTs). Altogether they looked at 10 types. The national lottery was the most frequent type of gambling, and physically going to a casino was the least frequent type of gambling, neither of which they found surprising.
- **Professor Bev John** said the report found that there was a high correlation between FOBT machines and online versions of the machines and the risk variables they looked at. For example, people using FOBT machines are more likely to have impaired control whilst gambling (one of the risk variables the report looked at), leading to more frequent gambling. She added that gambling on FOBTs and on online sporting events, were the only significant behaviours in their models that were linked to risky gambling such as impaired control and dependence.
- **Gerald Jones MP** asked the witnesses about clustering of betting shops in more deprived areas and the reports' findings on this issue.
- **Dr Gareth Roderique-Davies** said that this part of the research was carried out by a Freedom of Information request on licensing in the constituencies the report was focussing on, and that there seemed to be a relationship between locality and density of betting opportunities and more deprived areas of the country. He said the location and ease of access was problematic and that the problems associated with ease of access need to be explored further.
- **Gerald Jones MP** then asked about location in relation to vulnerable and deprived communities.
- **Dr Gareth Roderique-Davies** said that whilst they are being cautious in drawing conclusions, there certainly seems to be a pattern in relation to location and vulnerable communities. **Professor Bev John** then added that their findings seem to reflect findings in Australia with regards to betting shops being located in areas of high density. She noted that Australia appear to be more advanced in their research on this topic.
- **Carolyn Harris** asked if the witnesses had an opinion on what it is that those in deprived areas find so enticing about going into a betting shop and putting a large amount of money into these machines.
- **Professor Bev John** said she thinks it is about the culture of bookmakers and that the force of the B2 design leads people to keep playing. She said it seems to be common place that people end up having a quick and early win, quite often substantial.

- **Carolyn Harris** asked the witnesses if they spoke to any problem gamblers when conducting their research.
- **Dr Gareth Roderique-Davies** said that they spoke to a few problem gamblers but not as many as they would have liked. They said they perhaps naively thought they would be able to access problem gamblers through support services, but there appears to be no support services for problem gamblers, so they remain largely unidentified. A free text was sent out to hear people's stories and the responses they received were eye opening.
- **Gerald Jones MP** then added that support for people seems to be very scarce, which was also mentioned in the report and he asked the witnesses to talk about these findings more.
- **Dr Gareth Roderique-Davies** responded saying that one of their clearest findings was the inability to access people through support services. Services they did speak to told them that there are a lot of people out there who are problem gamblers, but they are not treated with gambling problems but instead financial problems for example. Services themselves don't have the ability to screen people with gambling problems. Even if they do suspect someone has a gambling problem, there is nowhere to refer them to.
- **Professor Bev John** said that where the country is now on problem gambling support, reminds her of what the alcohol industry used to be like, where it was difficult to quantify the need of help because there was no authority collecting data. She then added that it would be better if there was intervention earlier down the line, not just when it gets to and extreme point of someone losing their family and home.
- **Carolyn Harris** asked the witnesses if their research found that there was a short space of time between someone first using a FOBT machine and an addiction forming?
- **Professor Bev John** said that the data doesn't tell them that, but there certainly seems to be a consensus of a certain event triggering the start of an addiction i.e. winning a sizeable amount of money, and if an addiction forms, it no longer becomes about winning or the money.
- **Dr Gareth Roderique-Davies** added that the ability to lose a large amount of money in a short amount of time is a problem. In deprived areas there is a feeling that they found the gambling industry was selling dreams, when in fact, being able to lose large sums of money quickly is a disastrous situation.

- **Professor Bev John** added that another thing they hadn't anticipated finding was that there seems to be no control for players, particularly with online gambling which is a huge problem.
- She explained that someone could lose money in a betting shop, and then the following day do the same thing again. It is not part of staff members' role to control people using the machines. She said there is only so much in a night you can drink before pub staff stop serving you, but you are not told when to stop gambling, and it could get to a point where someone loses everything.
- **Carolyn Harris** then asked if the witnesses think lowering the stake to £2 would stop people playing on the machines or have an affect on the addiction.
- **Dr Gareth Roderique-Davies** said lowering the stake is one part of a much complicated picture. The speed of the spin also needs to be looked at. He was not sure if there was a magic number as the context of how attractive the machines are and the nature of the games also need to be looked at.
- **Professor Bev John** also said it would be difficult to know and added that the speed of the machines seem to be a clear element of developing an addiction. She added though that it seems to be the case if you reduce the stake, less money will be spent meaning less harm will be done. She did note that it may lead people to move away from B2 to B3 machines, with a lower stake but operating at much faster speed.
- **Carolyn Harris** asked what the witnesses views were on the current stake level.
- **Professor Bev John** said it was ridiculously high in such an easily accessible locations. It was clear that a lot of harm was being done to people, not only on FOBT machines. She added that overall, people are asking for controls and restraints, and that is partly to do with the FOBT stake level, wider targeted gambling advertising and online platforms.
- **Carolyn Harris** asked if the witnesses find it surprising that the extent of problem gambling associated with FOBTs is not being recognised as much as it could be by the Gambling Commission and the Government.
- **Professor Bev John** said she saw similarities with the alcohol industry to act and there are large business interests involved. She also said that more research needs to be done around the issues of FOBT harm and wider problem gambling.
- **Carolyn Harris** then asked the witnesses what their priority policy would be if the Government asked them.

- **Professor Bev John** said that it would concern the speed of play and harm reduction around better and effective intervention and education. She noted that there needs to be better regulation of people inside betting shops.
- **Professor Bev John** added that she understands more work needs to be done on the FOBT debate. But she also added that the industry are already one step ahead via online gambling.
- **Carolyn Harris** concluded saying she was delighted that her colleagues at the Welsh Assembly approached the University to take on this work. She also asked the witnesses if they would be happy if their evidence given contributed towards the APPG's response to the Government's consultation. Professor Bev John gave her permission and added that they hope it will make a useful contribution.

Public Meeting – Session 2, 3:00pm – 4:00pm

- **Carolyn Harris MP (Chair)** began the second evidence session of the APPG by welcoming and thanking witnesses **Christopher Snowdon**, representing the Institute of Economic Affairs, and **Phillip Blond**, representing Respublica.
- **Carolyn Harris** set out the format for the meeting and explained that the APPG is holding these sessions to supplement its previous report to the Government's consultation on proposals for changes to Gaming Machines and Social Responsibility Measures. The intention of this session was to hear from leading think tanks who have written on FOBTs and have differing views on the debate around the machines. The Institute of Economic Affairs wrote a report in 2013 titled, *The Crack Cocaine of Gambling? Gambling Machines in the UK*, and Respublica wrote a report in 2016 titled the *Wheel of Misfortune: The case for lowering the stakes on Fixed Odds Betting Terminals*.
- **Carolyn Harris** began the meeting by asking each witness to give an opening statement on their opinion of the debate around FOBTs.
- **Christopher Snowdon** said that his interest started from a large amount of media coverage on the issue around 2012/2013. He said this is when he became aware of the Campaign for Fairer Gambling. He said he is in favour of bookmakers being on the high street and can see the appeal of B2 machines to some gamblers.

- He said he believes there are myths around FOBTs which are:
 1. That there has been a huge proliferation in bookmakers - He said this was easy to debunk as the number of bookmakers have not increased and there were more bookmakers in the previous years. He did say that there may be clustering of bookmakers.
 2. That problem gambling has doubled – He said that problem gambling seems to keep doubling according to the media but the figures have stayed the same. He said that in reality there is no evidence that problem gambling has increased, it has stayed between 0.4% and 0.9%.
 3. That FOBTs are the crack cocaine of gambling – He said this was actually just a campaign slogan.
 4. The reference to the amount of money that is lost – Christopher Snowdon said it should be referred to the amount of money that is spent. People do not refer to losing money when they buy a football ticket.

- **Christopher Snowdon** also added that in his personal opinion he could see why people play on the machines because they are the fairest in terms of odds, whilst casino games are the most unfair form of gambling when it comes to odds.

- **Phillip Blond** then began by stating that what is most problematic is the intensity and speed of the activity, for example the pace at which people can not just spend but lose a great deal of money. He stated that he has no problem with gambling but FOBTs are particularly intense form of gambling that is easily available with a high level of addiction associated with them.

- **Phillip Blond** added that:
 - He believes FOBTs are causing a great deal of harm to people using them as well as those around them.
 - They need to be regulated closely and we have seen the proliferation of the machines, particularly in terms of areas of social deprivation.
 - They have become a major source of income for bookmakers and understandably the industry wants to protect that.
 - The measures on automatic checks on spending and having users register are useless, and there is a failure of regulation.
 - There is single manning in bookmakers, usually by young people.
 - The machines have led to an increase in violence, call outs to bookmakers have grown by 51%.
 - There is strong correlation of clustering in deprived areas and the impact and cost of this hasn't been assessed properly.

- **Phillip Blond** concluded his opening statement by saying that the machines are dangerous and the level of exposure to them needs to be limited to limit the harm, just as you would with drug users. We should be concerned about public safety.

- **Carolyn Harris** then asked the witnesses for their views on FOBTs targeting deprived areas and clustering.
- **Christopher Snowdon** said historical comparisons would be useful but his understanding is that there has always been clustering in working class districts, bookmakers are working class activities, and businesses tend to open where there is demand. He said more areas are keener on gambling than others and the industry is following demand. Bookmakers don't create demand otherwise we would see a large amount of bookmakers trying to open in richer areas.
- **Christopher Snowdon** then went on to say that if FOBTs were effectively banned then bookmakers will disappear, but they will not be replaced by (for example) greeting card companies as the high streets are dying due to the online world and the high street as we know it is not going to come back. He also added that if the 4 machine limit was removed then there would be less bookmakers in each high street as more machines would be able to be in one bookmaker.
- **Christopher Snowdon** said he did not accept the idea of targeting. The reason for opening more than one bookmaker in the same high street is because of demand. He noted that bookmakers employ people, they pay tax and are creating jobs in deprived areas. He added that if bookmakers close down, betting will move further to online where it is unregulated.
- **Carolyn Harris** then asked Phillip Blond if Respublica still stood behind their £2 recommendation and to clarify the affect they believe a £2 stake will have on problem gambling.
- **Phillip Blond** said he did think the stake should be reduced to £2, he said people will still be playing at a high speed but it is about mitigation and the smaller the dosage, the better. We should be mitigating the high risk and high harm and we have a duty to safeguard the vulnerable and act as we would in any medical case.
- **Carolyn Harris** then asked if the IEA had a view on the stake.
- **Christopher Snowdon** said that if the stake was reduced to £2 it would effectively be a ban as most bookmakers would close down. You still need to be able to put in an amount of money that is exciting for people.
- **Carolyn Harris** then asked what both witnesses would like to see as part of the Government's conclusion to the review.
- **Phillip Blond** said he wants to see the stake reduced and he wants the review to also ask why the voluntary level the gambling industry pays to help harm is so low. The industry isn't paying its due and is not helping to

remedy the indirect and direct harm caused. The review needs to go wider in its social ask of the online gambling industry. He also said he wants to see the intensification of the harm on the high streets stopped.

- **Phillip Blond** added that it may be right to say gambling is predominantly a working class activity and takes place amongst the disadvantage and vulnerable, but there needs to be an increase in the level of social protection. The voluntary contribution is pitiful.
- **Christopher Snowdon** said that the millions of pounds the Treasury receives from the gambling industry could be ringfenced to help people. But if the stakes are reduced that money will go. The stake should clearly be more than £2 but he did not have a view on the level. His understanding is that very few people stake £100 anyway. The stake needs to be at a limit that a reasonably affluent person would find exciting. He said he was in favour of using money to help people with gambling issues and there is enough money in the pot already to do this. Maybe the industry should pay more, but they won't feel inclined to if the Government is going to crush their industry.
- **Carolyn Harris** asked the witnesses if they wanted to add anything else before the session concludes.
- **Phillip Blond** encouraged the APPG and political parties to be ambitious on this issue and to look at the problems of risk associated with the gambling activity, as that is where the harm is. He said there hasn't been enough work done on where the harm is.
- **Christopher Snowdon** said this is the start of a crusade on all types of gambling and that it was concerning. He said it would move to online next and that we shouldn't go after the pleasures of ordinary people.

Conclusions

- **Carolyn Harris** concluded the session by thanking those who had attended and welcomed them to submit written submissions of their own to the Government's consultation on Gaming Machines and Social Responsibility Measures.

Next meeting

- The next meeting of the group will be on the 10th January, and will seek to hear from a wider range of witnesses on the debate, which will help shape the APPG's submission to the consultation.

Meeting concluded at 15.45

External Guests

Tosin Adedayo, Interel UK (Secretariat)

Holly Ramsey, Interel UK (Secretariat)

Christine Thompson, Interel UK (Secretariat)

Sam Hunt, (Newham Council)

Simon Thomas (Hippodrome Casino)

Henry Allingham (Hanover Communication)