



## **CMS Committee follow-up to its inquiry into Gambling Regulation**

Further to our submission in February to your original inquiry, the Gambling Business Group welcomes the opportunity to make supplementary comments now that the White Paper has been published.

The Gambling Business Group (GBG) is a membership organisation with representation across all land-based sectors of the Gambling Industry and on-line too. Membership includes Operating Licence holders, Licensing Solicitors, Consultants, suppliers and manufacturers. The Gambling Business Group represents the most comprehensive spectrum of industry stakeholders in the UK.

As our membership is primarily land based, our submission focuses on the land-based elements of the White Paper.

### **1 What are the most welcome proposals in the Gambling White Paper?**

A core aim of the GBG is to improve on the social responsibility obligations that the gambling industry delivers in order to better protect the vulnerable - as a consequence we welcome the proposals around age limits – the industry already voluntarily operates Think 25 even though the LCCP requirement is for Think 21.

We also agree that ‘cash-out’ slot style Category D machines should only be played by over 18’s - again our members have been doing this on a voluntary basis since 2021.

We welcome the proposed changes for casinos – allowing more parity between the 1968 and 2005 casinos and Government’s plans to engage with those LAs where they have not progressed their 2005 casino licence permissions.

Gambling legislation must have the flexibility to be updated in line with technological advances, digitisation and consumer trends - so we welcome the proposal for sandbox testing/planned pilots for concepts under certain conditions, with the close involvement of the Gambling Commission. Similarly, we welcome the proposals to change the 80:20 rule in bingo and AGCs to 50:50.

The current legislation prohibits the use of Debit Cards for gaming machine play when the rest of society has largely moved away from cash transactions in favour of digital or cashless payments. and so the inclusion of a commitment to explore options for cashless payments providing the appropriate player protections are in place is welcomed and we will be working with industry colleagues to put forward proposals on how this can be achieved.

The GBG is fully supportive of the introduction of a Gambling Ombudsman but is keen to ensure that it is genuinely independent of all components of the industry, is funded from the current licence fee regime, and whose activities and evidence can be used to inform future gambling legislation and regulation.

For the many of the proposals the details will be key – particularly when it comes to the statutory levy - it needs to be a smart levy, taking the differences in overheads into account for different gambling sub-sectors. Any calculations relating to contributions to Research Education and Treatment should be made after costs are taken out to ensure the proposal is equitable.

GBG members would like to see a formal obligation placed on those responsible for commissioning these increased funds, to include independent evaluation and audit of spending to ascertain whether it has been spent responsibly and effectively.

## **2.Are there any significant gaps in the Government's reforms?**

For our members the biggest disappointment is that the White Paper makes no reference to a Triennial review of all stake limits.

High street operators took a massive financial hit during COVID at a time when people could still play online. Many players who migrated online have not returned with the result that many premises have been forced to close. The industry is facing rising business costs, interest rates and rampant inflation alongside the price of machine play which is set by law and therefore it is not possible to pass on additional costs to consumers.

We want to see:

- Legislation altered to enable DCMS to introduce new and different categories of machines with perhaps different/better safer gambling measures. For example, higher staking products should come with greater protections and vice-versa for lower stakes.
- A triennial review set on a more formal footing within primary legislation, with a firm commitment to review every three years, even if that review determines that changes are not necessary this time. We also called for the scope of the triennial to be broadened to other areas of gambling in order for legislation and regulations to effectively keep up (future proof) with the ever-increasing pace of change. Machines are the only product group on the high street that is currently unable to adjust to RPI.
- Most of the consumer offering within different land/premises-based gambling types should have a facility in secondary legislation for reviews, with the ability for the Secretary of State to change any gambling premises criteria in line with evidence of changing consumer demand and technological advances. These should include products, services, stakes, prizes, platforms, locations and even machine categories.

We understand from Government that given the White Paper's proposals will significantly change the regulatory landscape, including a Triennial Review at this stage would complicate matters. However, they have encouraged industry to work

together to present evidence as to why a review of stakes and prizes is needed and the suggested uplift and we will be engaging with other trade bodies to progress this.

**3. What are the potential barriers to the Government and Gambling Commission delivering the White Paper's main measures by summer 2024, the Government's stated aim?**

There is a huge volume of work to be done, some of which will be led by the DCMS and some by the Gambling Commission involving a mix of primary legislative changes, secondary regulations as well as amendments to the Licence Conditions and Codes of Practice (LCCP) which is in the Commission's gift to change.

We have concerns about the raft of online reforms taking precedence over the land-based changes. We are particularly concerned about how Government will ensure all the reforms come to fruition given the volume of proposal, the anticipated summer and autumn consultations and multiple references to "when Parliamentary time allows".

Even after consultation when will these changes be implemented – we do not want to wait for all the consultations to be completed and trust that some amendments can be made sooner. The DCMS has suggested they want changes in place by summer 2024 but the Commission has indicated a 3-year timetable which includes evaluation.

As previously offered, we would be happy to give provide further written or oral evidence to the Committee and facilitate visits to gambling premises to view operations firsthand.

A handwritten signature in black ink, appearing to read 'Peter Hannibal', with a stylized, looping flourish.

Peter Hannibal  
CEO  
Gambling Business Group