



The Gambling Business Group's submission to the Gambling Related Harm APPG Gambling White Paper Inquiry

The Gambling Business Group 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.

The Gambling Business Group (GBG) welcomes the APPG's inquiry into the Government's White Paper. and supports the APPG's continued scrutiny of other areas of potential harm such as the National Lottery (scratch cards) and addictive products in the 'gaming space' i.e., loot boxes.

We are pleased with the inclusion of many of the White Paper proposals including:

- sandbox testing'
- cashless pilots
- levelling up of casinos
- proposals around age limits – the move to Think 25 and making cash out slot style Category D machines over 18s only (although the industry has been doing both on a voluntary basis for some time).

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

As our membership is primarily land based, our submission focuses on the land-based elements of your inquiry, as well issues which the White Paper is silent on.

1. The introduction of a Statutory Levy

The GBG has long been of the view that the evaluation of the millions spent on Research and Education has been either poor or non-existent. Against 'statistically stable' or arguably declining rates in problem gambling, it is impossible to ascertain whether these millions have been well or ineffectively spent. This therefore leaves us with a situation where calls for additional money to be spent on Research and Education cannot be backed up by evidence, only by hypothesis which ironically comes from those who will benefit most from that additional spending.

There is already a commitment in place for the Betting and Gaming Council to provide more money to Research Education and Treatment (RET) over the next five years than has ever been spent before. So, even against a stable or potentially

declining rate of problem gambling, there is more money secured for the foreseeable future.

The GBG 'ask' of the post White Paper world is that there is a formal obligation placed on those responsible for spending these increased funds (and other spending such as that from voluntary settlements), to commission independent evaluation of that spending to ascertain whether it has been spent responsibly or not.

Armed with this evidence, informed decisions about the future level of spending needed can be concluded, rather than hypothesised.

In terms of imposing a mandatory levy, the GBG could not support the principle of any funding intended for RET being spent on a new expensive bureaucratic process that a mandatory levy might require. A mandatory levy is by any other name an additional tax on doing business, and we already have increasingly efficient systems for capturing such funds. These same efficient systems should also be used for the processing of RET funds.

When calculating what level of RET payments to be made, due consideration needs to be given to the difference in the level of overhead that exist within the different gambling subsectors. Differences in levels of human resources, property costs and utilities are just three examples where the running costs vary considerably. Any calculations relating to RET should be made after costs are taken out to ensure the proposal is equitable and that businesses will not be forced to close. The GBG agrees with the APPG that it needs to be a smart levy as one size will definitely not fit all.

2. The introduction of an Independent Ombudsman

The gambling consumer is 'front and centre' of the GBG purpose and strategy. Consequently, we are of the view that processes and mechanisms that deal with all gambling consumer issues, that are easy to access, that are dealt with fairly, timely and openly, and use evidence and facts in their deliberations are a positive step.

The GBG has never been an advocate of consumer issues and complaints being dealt with for example via a Trade Association, because of the inherent conflicts of interests. The gambling regulator has historically showed very little interest in dealing with consumer issues some of those consumer issues may well be about the gambling regulator themselves.

The GBG is fully supportive of the introduction of a Gambling Ombudsman that is genuinely independent of all components of the industry, is funded from the current Licence Fee regime, and its activities used to inform future gambling legislation and regulation.

A core strategic aim for the GBG is to improve public perceptions and the reputation of land-based gambling. The introduction of a genuinely independent ombudsman will only help us in achieving that aim, therefore we fully support it .

3. The absence of a Triennial Review

The GBG is disappointed that the White Paper makes no reference to a triennial review of all stake limits, as we agree with the APPG's recommendations that this is a priority.

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.
- The Triennial Review placed 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 and including a Triennial Review at this stage would have complicated 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 work the other trade bodies to progress this.

We would be happy to provide further information on these or other land-based elements of your inquiry, and to address the APPG in person.



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