

## **Proposed changes to Gaming Machine Technical Standards, 2025**

### **Assessing the evidence**

#### **Introduction**

On 29<sup>th</sup> January 2025, the Gambling Commission published its 'Consultation on proposed changes to the Gaming Machine Technical Standards, Gaming Machine Testing Strategy and Licence Conditions and Codes of Practice.

This document provides an assessment of the quality of evidence provided by the Gambling Commission in support of its proposals. We have limited our analysis to the three proposals that we understand to be a source of concern for operators of adult gaming centres in Great Britain. These are:

- Mandatory limit-setting requirements (with defaults)
- Safer gambling messaging (during enforced breaks)
- Display of net win/loss position and session length

We are happy to provide analysis of other evidence in the consultation document (i.e. in relation to Losses Disguised as Wins and Stop features) if that would be helpful.

This review is intended to inform the GBGs response to the consultation. With this in mind, we observe that the Gambling Commission has a track record of implementing precisely what it consults upon, and this has raised concerns about the sincerity of these consultations<sup>1</sup>. With this in mind, it is important that the casino group and other like-minded organisations responding to the consultation do not limit their evidence to the consultation; but seek other channels to share information with policymakers (e.g. the DCMS), trade media and other stakeholders.

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<sup>1</sup> The fact that the Commission has stressed that 'this time' it really is a consultation emphasises this point.

## Overview

The consultation document on proposed changes to Gaming Machine Technical Standards contains a variety of information and ‘evidence’ of varying relevance to the new regulations; but fails, in our view, to present a coherent justification for why they are needed and why they are needed *now* (and not, for example, five years ago). In particular, it fails to articulate with any degree of precision the nature of the ‘problem’ that the proposed regulation seeks to address (aside from pursuit of the licensing objective to prevent harm). Somewhat unusually, no casework is cited or examples of harmful gambling that the proposed new measures are designed to address.

Instead, the document provides some general information about time and money spent gambling on machines in Great Britain as well as Gambling Survey for Great Britain findings on rates of ‘problem gambling’ by activity. In other words, the consultation document fails to articulate clearly the problem that the new regulations are intended to solve.

Where specific measures are concerned, the consultation document cites findings from a small selection of research papers from around the world as well as its own research. Many of the findings from these papers appear uncontentious but the fashion of their presentation raises questions about the robustness of the Commission’s approach. On repeated occasions, salient (but perhaps inconvenient) findings from these papers are omitted; and the document fails to reflect the limitations of the studies cited (such as small sample sizes, convenience recruitment, sample representativeness and whether they are based on real gambling or laboratory experiments). A number of the studies are, by now, rather old (which begs the question why it has taken the Commission so long to act upon them). The impression is of a selective approach to evidence gathering, with research curated to support policy proposals rather than policy proposals being based on a weighing of the available evidence.

In some instances, we consider the Commission’s presentation of evidence to be misleading.

One notable omission from the consultation document is any research on customer attitudes towards the proposals (or any real interest in negative impacts on customer enjoyment and positive wellbeing). On occasion, references are made to how gamblers have responded to similar regulations online, but this is likely to be an inadequate guide for the imposition of new regulations on landbased customers, given the situational differences. This suggests a relative indifference from the Gambling Commission regarding whether consumers perceive the changes to be helpful or otherwise. A failure to understand whether customers actually *want* these controls is likely to lead to negative consequences in terms of loss of enjoyment, market disruption and the harms to customers who seek to circumvent badly designed rules.

The Commission has indicated that it is using the consultation process itself to obtain customer feedback. This appears unsatisfactory. Given the length of the consultation document (61 pages) and the technical nature of some of the passages, the process appears ill-suited to understanding customer views – and the Commission has made no effort to raise awareness of the consultation among consumers at large. There is a risk therefore that responses from gambling consumers are from those with particularly strong views about gambling (e.g. recovered

‘problem gamblers’) or that the consultation is used fraudulently by activists posing as gambling consumers.

The Gambling Commission is unlikely to issue an abbreviated version of the document as it did in 2021 to gain better views on affordability checks<sup>2</sup>. This raises the question of whether trade groups and operators should either encourage recreational customers to respond, or produce their own short-form version of the consultation document.

Finally, we observe that there are several areas where the Gambling Commission has explicitly asked licensed operators to provide evidence – implementation costs, the effectiveness of voluntary limit-setting and evaluations of self-regulatory codes. It is in the interests of the GBG’s members and their peers to submit robust, credible and coherent information on these points (noting the potential for the Commission to exploit discrepancies in evidence supplied by different sectors).

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<sup>2</sup> The Commission refused to release the results of this exercise until three-and-a-half years after the consultation period closed. When it finally did so, it revealed large-scale consumer opposition to its proposed checks.

## 1. General evidence

The consultation document begins by providing a range of general information about gaming machine play, as a backdrop to the proposed changes rather than as evidence related to specific proposals. This preliminary evidence covers levels of expenditure by machine category as well as rates of higher spending (>£200) and longer-lasting sessions (> 60 minutes).

### 1.1 The growth of gaming machine revenue (p.8)

On page 8 of the consultation document, the Gambling Commission sets out a range of statistics about the level of consumer spending (GGY) on gaming machines in licensed premises in Great Britain. In one passage, it describes the growth of such revenues as follows:

*“The GGY generated by gaming machines between April 2023 to March 2024 represented an increase of 4.5 percent (£108 million) from April 2022 to March 2023 and an increase of 24.5 percent (£494 million) on the last pre-lockdown period of April 2019 to March 2020.”*

The relevance of this information to the proposed new measures is not made clear. Why should this apparent increase in customer spending warrant new controls on operators and consumers? **Perhaps more significantly, it is (in our view), misleading.** The 12 months to March 2020 was not a ‘pre-lockdown period’. It was on 16<sup>th</sup> March 2020 that the British Government announced the first lockdown (a ban on “non-essential contact and travel”) but trading in licensed gambling venues (as in the wider leisure and hospitality industry) had been affected for some time before this, reflecting growing anxiety in the population.

Taking the last 12-month period of Industry Statistics prior to lockdown (12 months to March 2019) and comparing it to the 12 months to March 2024, we can see that machines GGY in fact fell by 10.8% (£437m). In other words, between 2019 and 2024, there was a meaningful contraction in consumer spending on gaming machines in nominal terms. In real terms, the effect is even greater with spending 60% lower in 2024 than in 2019 on an inflation-adjusted basis.

### 1.2 Cross venue gaming machines data (p.9)

The Gambling Commission cites in evidence the data on session length and expenditure for machine play in betting shops, AGCs, bingo clubs and casinos (collected and published in 2019). It observes that 3.1% of all sessions on Category B machines last more than one hour and that 1.8% involved expenditure (loss) in excess of £200. It describes these figures as “indicator[s] for potential risks to consumers within the current stake and prize limits”, but this appears to be based on assumptions rather than substantiated facts<sup>3 4</sup>. We note that it is relatively common for consumers to spend in excess of £200 playing table games in a casino or betting on horseraces. Moreover, the expenditure of £200 in the wider leisure and entertainment market (such as on a ticket to a concert, show or football match, on a hotel room or for a meal in a fine restaurant)

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<sup>3</sup> It is true that people who spend more time and money gambling are more likely to experience harms – but on this basis, one might just as easily set the thresholds at 30 minutes or two hours; or £100 or £1,000.

<sup>4</sup> It should also be noted that a minimum of 42% of Category B machine sessions involved expenditure (loss) below the £200 threshold.

would not automatically be considered an indicator of financial risk. In any case, there are a number of problems with the data, which we set out below:

1. The headline figures on session length and expenditure are almost entirely determined by machine player behaviour in Licensed Betting Offices ('LBOs'). Machine play sessions in LBOs constituted 86% of all Category B sessions in the dataset. Just 4% of sessions in the dataset took place in AGCs (bingo clubs provided 5% and 4% in casino). This is because a majority of machines in AGCs and bingo clubs at that time were server-based and therefore able to provide the necessary data<sup>5</sup>. Casino sessions were based on the play of rewards card holders, who are unlikely to be representative of all casino machine players. The exclusion of occasional players (who have few incentives to use reward cards) will almost certainly have skewed the casino machine data in an upwards direction.

2. The consultation document does provide session length and expenditure figures for AGCs and bingo clubs and casinos. These reveal that a much lower proportion of machine sessions in these venues lasted for more than one hour (1.6% in AGCs and 1.1% in bingo clubs). If session length is an "indicator of risk" (as the consultation document states) then the data presented suggests that AGCs and bingo clubs are (on this measure) relatively low-risk venues. It also begs a question about what level of sessions lasting longer than an hour is acceptable to the Commission when between 98% and 99% of those in AGCs and bingo clubs already fall under this threshold. The proportion of AGC Category B sessions involving expenditure of more than £200 was in fact higher than the average at 2.3%, but as we shall see, there are good reasons for believing that this was not representative.

3. Session data from AGCs and bingo clubs reflects play on a minority of machines in those venues that were server-based. It seems plausible that the server-based machines were more popular with customers and that, therefore, sessions on these machines should not be considered representative of the total machines estates in these venues.

4. The consultation document fails to mention that while some customers lost more than £200 in a machines session, a larger proportion *won* more than £200. The dataset shows that while 2.3% of AGC (server-based) machine sessions involved a loss in excess of £200, 2.8% resulted in the customer *winning* more than £200. In bingo clubs, 2.4% of machine sessions involved *wins* of more than £200 compared to 1.6% involving losses. While it should not be assumed that winnings always offset losses on a per-customer basis, this information is relevant. If the Commission's goal is to reduce session losses on Category B machines in excess of £200 (from levels that are already extremely low) then this must inevitably result in a reduction in session wins above £200 as well. Such a position would have significant ramifications both for machine games design but also for the law, which allows a jackpot of £500 on Category B3 machines.

**Suggested analysis:** It may be helpful to reproduce the Commission's 2019 analysis to see what figures look like today (particularly if the number of server-based machines in AGCs and bingo clubs has increased).

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<sup>5</sup> The consultation document does comment that "*the data is not reflective of the entire machines sector*"; something that we consider to be a rather large understatement. In any case, the consultation document effectively dismisses this issue of representativeness (without explaining why).

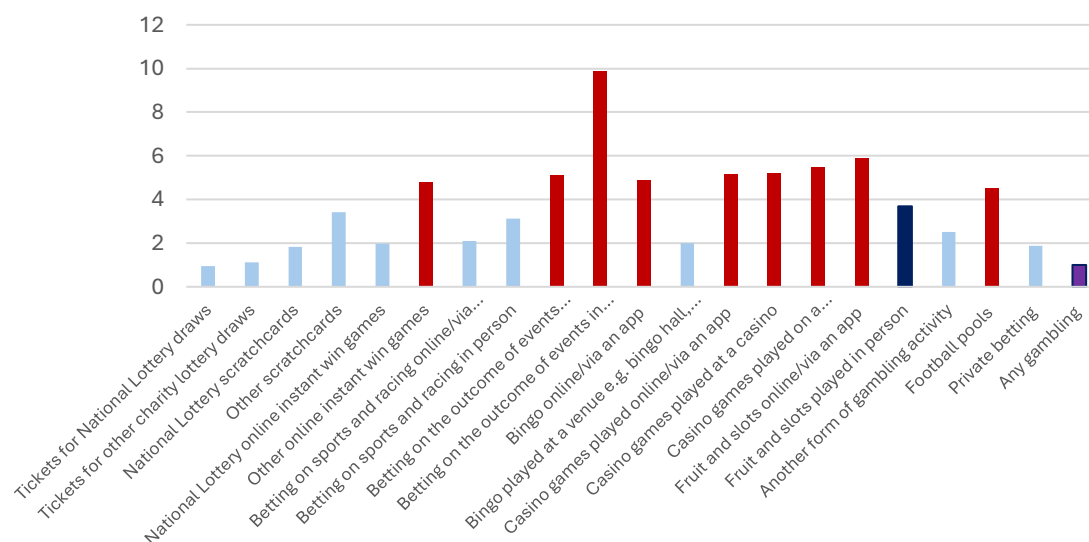
### 1.3 Gambling participation rates and the prevalence of problem gambling (pp.9-10)

The consultation document cites results from the Gambling Survey for Great Britain in support of the claim that gaming machine players “were 3.7 times more likely” to be ‘problem gamblers’ than “the average for all those who have gambled in the past 12 months”.

In addition to the serious concerns about the reliability of the GSGB, we observe that the relevance of this claim appears unclear.

- i) As the document acknowledges, these associations do “not indicate causation” of harms. The reason for this is that the ‘problem gambling rate’ (as it is commonly referred to) is principally calculated by reference to the total number of people in the survey sample who have taken part in a given activity. By way of illustration, of the participants in the Health Survey for England 2018 who had played machines (excl. FOBTs) and were classified as ‘problem gamblers’:
  - a. 71% played the National Lottery
  - b. 71% bought lottery scratchcards
  - c. 64% played online casino/slots/bingo
  - d. 64% bet on sports online
  - e. 50% played bingo in a landbased venue
  - f. 50% bet on horseraces in an LBO or on-course.
- ii) All gambling activities – with the exception of the National Lottery main draw – have higher rates than the average (due to the factors explained above). As chart 1 shows, the following activities have higher odds ratios for ‘problem gambling’ than machine play in the GSGB:
  - a. Football pools
  - b. Non-sports betting - remote and non-remote
  - c. Online bingo
  - d. Casino games - remote and non-remote (tables and electronic)
  - e. Online instant wins (non-National Lottery)

Chart 1: Relative odds of 'problem gambling' by activity (GSGB)



If we conduct the same analysis using the Health Survey for England 2018, we can see that private betting (i.e. bets placed between friends), among other activities, had a higher odds ratio for ‘problem gambling’ than machine play.

*In the period since the consultation was launched, the Gambling Commission has released analysis of data from the Gambling Survey for Great Britain, conducted by researchers at the University of Glasgow. This claimed that machine play involved higher risk of ‘problem gambling’ than gambling in general, even after controlling for breadth of participation and other known risk factors. We note three points in respect of this analysis:*

- i. There is strong evidence that the GSGB is an unreliable survey and that it has over-sampled both gamblers and more highly engaged gamblers.*
- ii. The analysis still does not provide any information on causality.*

#### **1.4 GGY per machine by category (p.17)**

The consultation document correctly observes that average levels of revenue per machine increase as the machine categories progress upwards (from D to B1). The relevance of this observation is not stated. It fails to mention that levels of revenue per machine are in part dictated by availability of supply. The fact that B1 machines generated – on average - £70,000 per unit in 2023/24 (compared to £39,400 for B3 machines) is partly explained by the fact that there were far fewer of them (in addition to the points made above about the relative affluence of casino customers by reference to other gamblers). In the year to March 2019 (i.e. the start of the period of analysis), there were, on average, 21,764 Category B3 machines in Great Britain and 124,251 Category C or D machines. In AGCs, 19% of all machines were Category B (B3/B4) and in bingo clubs the figure was 15%. The fact that these machines generated higher levels of revenue on average is explained in large part by simple laws of demand and supply.

The level of revenue per machine has no obvious relevance to risk. If that were the case, then the Gambling Commission might be expected to support machines expansion, as a meaningful increase in machines will inevitably result in lower revenue per machine.

## 2. Specific proposals and supporting evidence

### 2.1 Limit-setting functionality

#### Exploring Customer Journeys (p.23)

The Gambling Commission cites in evidence its own research from 2023, *‘Exploring customer journeys using customer-led tools’* and in particular its findings that where people use gambling management tools:

- 49% reported that it helped them to budget their spending; and
- 42% of those who had used limit-setting considered it to be effective in reducing the time and/or money spent gambling.

A number of observations should be made in regard to this evidence:

- i) As the Commission acknowledges, the participants in its study were online gamblers (asked about their online gambling). It is speculative to assume (as the consultation document does) that the same findings would be drawn from a study of landbased machine gamblers (where the situational characteristics are very different<sup>6</sup>).
- ii) The sample sizes are relatively small. For example, the finding that gamblers found limit-setting useful was based on the responses of just 236 participants.
- iii) The consultation document fails to mention the finding that 15% of the online participants said that they would spread their play across multiple accounts (and 7% would close their accounts entirely) if it became mandatory to set a limit. While we should not assume that the same would apply to landbased gambling, it highlights the fact that a meaningful proportion of customers (approaching one-quarter online) expected to react negatively to such measures. The Commission may take the view that this factor is outweighed by benefits; but its failure to mention this finding in the consultation document is not in keeping with the need for transparency.
- iv) The consultation document goes on to state (p.27) that, if customers move machines out of frustration with a 30-second break in play, that this “*may be considered a marker for potential harm*” (rather than customer annoyance); and that “*licensees would need to consider whether a customer interaction was appropriate*”. The former appears speculative, unsupported by any evidence; the latter appears to introduce yet another requirement in relation to Code 3.4.1 (and may be considered unhelpfully ambiguous or subjective from a compliance perspective).

#### Requirement to offer a free text option for limit-setting

We have previously provided analysis of the Gambling Commission’s questionable use of a Behavioural Insights Team report on the use of free text boxes for limit-setting. If, however, this is not an issue, there is no need to include it here<sup>7</sup>.

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<sup>6</sup> Casinos, for example, provide differentiated levels of supervision, interaction and entry controls compared with online sites.

<sup>7</sup> Although, it is possible that the Gambling Commission may, at a later date, seek to ban the use of drop-down limit options and insist solely on the use of free text boxes.



## Interactions arising from limit-setting

The consultation document states that the Commission does “*not think it is appropriate to make it mandatory for businesses to conduct an interaction each time a limit is reached. Rather staff alerts provide a prompt to consider whether an interaction is necessary*” (p.28), but also that “*the information contained within staff alerts is acted upon appropriately and in a timely manner*” (p.27). The consultation document goes on to refer to SR Code 3.4.1 to provide “*illustrative examples of indicators*”. Given that licensees are already required to observe this code provision, it is unclear what the new proposed regulation adds or how it would “*build significantly upon the protections already in place*”. It may instead introduce a new layer of subjectivity (or ambiguity) where compliance and enforcement are concerned.

## 2.2 Safer gambling messages

The Gambling Commission proposes that safer gambling messages should be displayed during the recommended 30 second mandatory break in play. In support of this, the consultation document cites a number of studies on the benefits of ‘safer gambling’ messaging. In general, the findings are uncontentious but there are a few issues of presentation; and one potentially significant point of consequence which we highlight.

- i) **Blaszczynski et al. (2015)** – this study - based on 141 Australian university students playing a simulated machine on a laptop computer in a ‘laboratory’ (a limitation that is not mentioned) - found that limit-setting might have “*counter-productive*” effects (e.g. increased cravings) if unaccompanied by safer gambling messages.
- ii) **Bjorseth et al (2021)** – this meta-analysis of 18 studies included only two that were conducted in real-world gambling settings. The authors set out a wide range of additional limitations of the studies and warn that the findings should not be generalised to real world settings. While the conclusions drawn by the Commission appear uncontentious, the consultation document fails to convey the uncertainty of the researchers in presenting these findings.
- iii) **Davies et al. (2022)** – the findings cited by the Gambling Commission seem relatively straight-forward. We note however that one of the messages tested was “*Every day in Britain, one person takes their own life because of gambling. Don’t bet your life on gambling*” - an entirely unevidenced claim, which highlights a risk inherent in this policy, which we look at next.

### What will safer gambling messages say in the future?

The basic premise of providing safer gambling messages during a break is sound enough (leaving aside for now the question of how often and under what circumstances breaks should be enforced). A problem may arise however, if licensees lose any choice in what message is displayed. GambleAware, for example, favours the following messages<sup>8</sup>:

- i) *Gambling comes at a cost*
- ii) *Gambling can be addictive*
- iii) *Gambling can grip anyone*<sup>9</sup>

In Australia, new mandated messages were introduced last year, as follows:

- i) *Chances are you're about to lose.*
- ii) *Think. Is this a bet you really want to place?*
- iii) *What's gambling really costing you?*
- iv) *What are you prepared to lose today?*
- v) *Set a deposit limit. Imagine what you could be buying instead*
- vi) *You win some. You lose more*
- vii) *What are you really gambling with?*

While such messages may be considered appropriate in certain settings, they are likely to be inappropriate for adult consumers who have made a conscious decision to go to a casino for enjoyment. It is likely in fact that they would lead, for some, to unhealthy feelings of stigma and shame. Activist groups have called for even more hard-line (and misleading messages), such as “gambling kills”.

As the consultation document notes, the DCMS and DHSC are currently developing a “*new, evidence-based model for independently developed safer gambling messages*” that “*may feed into specific messaging that is displayed on gaming machines*”. It is also understood that the activist organisation, Gambling with Lives has been working with the DHSC in this area. The risk that casino operators may be required to display hardline, misleading and potentially harmful messaging on machines in the future is not, therefore, idle speculation.

### 2.3 Display of net time and position (pp.39-40)

In the section dealing with a requirement for machines to display net time and position during an enforced break (and for this information to be available within one click), the consultation document refers to four research papers/evaluations. The Commission’s presentation of survey findings is, on occasion, unsatisfactory:

- i) **Du Preez et al. (2016)** – the Commission notes positive effects of pop-up safer gambling messages on gaming machines in New Zealand. It neglects however to mention that one-quarter of machine gamblers surveyed reported a negative impact on their enjoyment; and 18.4% said that they would change machine to avoid pop-

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<sup>8</sup> We have reviewed these messages elsewhere and are happy to share this critique if helpful.

<sup>9</sup> The research underpinning these message choices was presented at the Gambling Commission’s Spring Event on Evidence in March 2025. This may suggest that the Commission is sympathetic to these suggestions.

ups. In New Zealand, at that time, the mandated break in play was 15 seconds (and not 30 seconds) every 30 minutes (rather than 20 minutes). It seems plausible therefore that negative effects may be even greater in Britain, if the Commission's proposals are adopted.

- ii) **Byrne & Russell (2019)** – reported that providing informative feedback (such as time and money spent) was associated with more accurate estimates of expenditure and greater moderation in play. The consultation document neglects to mention that this study was based on a sample of just 213 participants in Australia (recruited via social media) who played a simulated EGM with AU\$6 (which they were unable to keep at the end). The sample was skewed towards 'at risk' (33%) and 'problem' (14%) gamblers.
- iii) **Gambling Commission (2021)** – The consultation document describes the Commission's own assessment of the effect of mandatory net position/session length displays as follows: *"Our assessment of online games design changes found that consumer awareness of how much time and money is spent remains high and did not change significantly in the months immediately following the implementation date"*. In fact, awareness of money spent *fell* following introduction (from 86% to 80%) before recovering (to 84%), while self-reported awareness of time spent increased marginally from 76% to 77%. In other words, it is unclear whether the requirement had any positive impact on safer gambling – and if anything – it may have had a negative impact. The Gambling Commission has not updated this analysis, so it is impossible to know what the longer-term effects were. It should be considered whether landbased operators should be required to implement a change that has had no discernible positive impact online – particularly given the much higher costs that it would involve. There is also the fact that the net position/time spent display has no real privacy implications online (where other people are unlikely to be able to view the information) compared with landbased gambling (where displays would be visible to other customers).

## Research required for response to consultation

### Costs

The Gambling Commission has impressed on us that it welcomes high quality evidence on the cost of implementing its proposals. It appears particularly focused on capital costs imposed through machine adaptability (or obsolescence) but submissions should also consider implications for operating costs (e.g. staffing) and foregone revenue.

### Voluntary limit-setting (p.24)

The consultation document states that the Gambling Commission is “*committed to collecting data from industry that will evidence how customers interact with the voluntary limit-setting functionality and what happens thereafter when limits are reached*”. This may include the following:

- % of customers setting limits
- distribution of limits
- % of customers stopping gambling at limit
- % of customers taking extended break when hitting limit
- % of customers increasing, reducing or cancelling limit

### Code evaluation (p.24)

The consultation document asks for “*any evaluation the industry has undertaken on its voluntary codes*”. This should not be overlooked, in our view. A failure to provide an evaluation may be seized upon by the Commission as evidence of the need to proceed with changes.

### Machine sessions data

Updating the Gambling Commission’s 2019 data on machine sessions is advised. It may, by itself provide interesting findings and will forewarn operators of any potential issues if the Gambling Commission seeks to reprise the exercise.

### What is missing

The Gambling Commission appears to have undertaken no research into what consumers think about its proposals; relying instead on the views of online gamblers about the introduction of similar (but contextually very different) measures introduced for online games.

The Gambling Commission shows no consideration for the loss of enjoyment for consumers arising from the imposition of these measures. Where consumer benefits are mentioned, it is invariably in the context of harm prevention.

### Miscellaneous

Risk – the consultation document describes Cat C and D machines as “lower risk” (with Cat D machines described as “minimal risk”). There may be valid reasons for adopting this view – but it is not actually proven in the document. The fact certain categories of machine are associated with higher spending or longer sessions may indicate higher levels of risk

The consultation document considers the exemption of members' clubs, miners' welfare institutes on the grounds that they were "*not created as a commercial enterprise*". What bearing this has on harm prevention is unclear, given that they will be as incentivised as any pub or gambling licensee to generate income from machines. The Gambling Commission also presents no comparative data (e.g. session length, losses above £200) to support its theory that machine play in these venues is low risk. This may be of no consequence to licensed operators and there is little to be gained by criticising members' clubs and miners' welfare institutes unless there is a material issue to be addressed.