

Gambling on high streets in Britain: the government should take action to protect customers from what may be the predatory targeting of the disenfranchised

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Barry Sheerman MP examines the proliferation of betting machines in the UK and the social consequences of this. Compounding this, it seems that the industry is targeting the most vulnerable, with betting shops disproportionately present in areas of high unemployment. The onus is on the betting shops to prove that their products are not damaging the lives of British citizens and in doing this they have fallen short.



Walking the streets of any town or city in the UK and one can't help but be struck by the prevalence of betting shops on our High Streets. What is less striking to the unfamiliar eye is the proliferation of gaming machines within these shops over the past ten years.

In 2001, Gordon Brown, as Chancellor of the Exchequer, struck down duties on individual bets in favour of taxing bookmaker's gross profits. This seemingly practical policy step, and by no fault of Mr. Brown, paved the way from almost no gaming machines- or fixed odds betting terminals (FOBTs) by their technical name- to more than 35,000 today. In the year leading up to March 2012, an estimated £40 billion was staked on FOBTs accounting for roughly £ 1.4 billion in annual profit; approximately 50% of betting shops' total profit.

This would all be well and good if not for the method of obtaining these profits. The class-B2 FOBT can take up to £18,000 of a player's money in a single hour by allowing stakes of up to £100 each turn, every 20 seconds. Natasha Schull, an associate professor at MIT, has found that the transition from gear-driven handles to electronic buttons has doubled the number of 'plays' per hour and provides virtually no opportunity to process the ramifications of a loss. Along these same lines, Jon Grant, a professor of psychiatry at the University of Chicago, has found that electronic machines can cause players to believe they've won by using false 'bells and whistles' to trigger the reward mechanism in the brain. In 2010, the Queensland government in Australia enacted regulations forbidding these 'false wins'.

To compound these problems is the rise of betting shops in areas of high unemployment. Research commissioned by Channel 4's Dispatches recently found that there are twice the number of betting shops in areas of high unemployment than in areas of low unemployment. While the industry's trade group argues this is a matter of population density, it is nonetheless a disturbing trend that likely correlates to the targeting of the most vulnerable. With the most recent British gambling prevalence survey in 2010 finding problem gambling increasing 50% in three years and with only 1 NHS clinic for problem gambling in the country, the current state is unacceptable and unsustainable.

There is currently a public consultation underway as part of the revived triennial review of stake limits and the B2 FOBT has arisen as a flashpoint. The industry is arguing for maintenance of the status quo and thus far seems to be tacitly supported by the Conservative government. They argue that the category B2 machine, which are said to be the most dangerous, is critical to their economic viability. The presence of these machines has grown at a rate of 22% since 2008/09 and accounted for 49.4% of income in 2011, up from 39.9% in 2008.

However, while the presence of these machines and their importance to the industry has grown, their users remain a small fragment of the betting public. From the 2010 Gambling Prevalence Survey, 73% of the adult population in Great Britain participated in gambling within the previous year, while only 13% of adults played on slot machines and a mere 4% played on FOBTs. One can easily extrapolate from this that an increasing percentage of income is

coming from a very small group of losers.

The government and the industry insist that a more concrete causal relationship must be established between problem gambling and FOBTs prior to meaningful changes. This is the wrong approach. Delaying action to reduce the stakes of these machines and their proliferation in our cities and towns will only result in damaging more lives and destroying more families.

One of the UK Gambling Commission's three licensing objectives is, "to be fair and open." In the case of FOBTs, this requires payback percentages to be clearly displayed. Yet, the only way to verify this percentage is to have an accurate accounting of the turnover per machine, which is unreported. There has thus been a woeful shortage of the necessary data from these machines to verify their openness and fairness or to know the exact manner in which they are impacting individual customers.

The onus is on the betting shops to prove that their products are not damaging the lives of British citizens and in doing this they have fallen short. Change can begin immediately with a full accounting of the number of users per machine, the total amount staked at each machine, and the amount paid out at each machine. In time, this information will allow us to develop an informed perspective on the relationship between these machines and problem gambling.

However, until such a time, the Government should take action to protect customers from what may be the predatory targeting of the disenfranchised. This should include an immediate reduction in the permissible stake, not maintenance of the status quo.

Note: This article gives the views of the author, and not the position of the British Politics and Policy blog, nor of the London School of Economics. Please read our [comments policy](#) before posting.

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