

Early Attempts To Replace FOBTs Hurt UK Gambling Industry, Say Experts

8TH APR 2019 | WRITTEN BY: HARRISON SAYERS

Paddy Power Betfair and Betfred's decision to launch games that seemed to be similar to fixed-odds betting terminals (FOBTs) on the day legislation came into effect to reduce their maximum stakes could affect operators' long-term attempts to replace that lost revenue, according to industry experts.

Betfred, PaddyPower Betfair and a third unnamed operator, which was "poised" to launch a new product, pulled the games on April 2, following a "[warning](#)" from the regulator, according to the UK Gambling Commission.

Whether the games were legal or not, Richard Hogg, founding director of EGS Consult, believes the move could have an impact on the Gambling Commission's future decision-making.

Hogg said that if the industry continues to appear to attempt to circumvent the regulator's decisions then it will surely "take a further look at the online casino side of the operations and restrict operator's ability to increase revenues".

"This isn't about whether Paddy Power or Betfred have broken the law per se, as it stands it is about observing the ideals set out in the revised legislation. It doesn't take a rocket scientist to understand that the commission was going to frown upon this," he said.

Hogg believes that in an industry with "supposed self-regulation" that is "regularly criticised", the decision to offer the games has affected the public image of the whole industry.

"The bookmakers should have at least had the intelligence to launch these products before April and test the waters if they really believed they were a legitimate addition," said Hogg.

On March 30, Neil McArthur, the head of the Gambling Commission, [warned](#) operators about attempting to circumvent the FOBT reduction introduced on April 1.

Richard Watson, executive director for enforcement at the Gambling Commission, said the regulator had been "clear" about its expectations for bookmakers to act responsibly, when announcing the games had been pulled on April 2.

David Clifton, founding director of law firm Clifton Davies Consultancy, said the games appeared to be a "blatant attempt to provide a high-staking FOBT replacement product".

Clifton fears the news will be "seized upon" by anti-gambling lobbyists and will "inevitably" make it harder for the gambling industry to "regain public trust".

The Gambling Commission has warned that it may still investigate senior staff responsible for bringing the games to market.

McArthur assured operators after taking [widespread regulatory action](#) against senior management and online casino operators for anti-money laundering (AML) and responsible gambling failures in November, that individuals will continue to be held accountable for an operator's failings.

Hogg "cannot comprehend" how the decision to release the games at such a sensitive time could be overlooked by senior management, who he believes should be "made accountable and to explain their actions".

Davies claims "insufficient" details have been provided by the bookmakers to make a conclusive statement about whether or not their games breached any laws.

The commission's wording in its warning, also "fell short" of indicating a definitive assumption from the regulator that the products are illegal at this stage, according to Clifton.

"That said, the commission is continuing its investigations and clearly believes the actions of both operators to have been socially irresponsible, so it will be a case of "watch this space", he said.

TOPICS

Legal And Regulatory

Enforcement

Sanctions

Compliance And Risk

Licence Conditions (Including Breaches)

GEOGRAPHY

United Kingdom

Europe

SECTORS

Land-Based Gambling

Betting Shops/Off Track Betting

Slot Machines

CONTENT

Regulatory Insights
