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UK government announces machine review

Tuesday, October 25, 2016



The long-delayed Triennial Review into gaming machine stakes and prizes in the UK has finally been announced by the UK government, ending a stalemate over their future that has lasted all summer.

In the announcement on Monday, UK gambling minister Tracey Crouch made a call for evidence on aspects of the gambling industry, including stakes and prizes limits, the number of all types of gaming machine available in the UK and the nature of gambling advertising and how it affects the young and the vulnerable.

"It is important that gambling regulations strike the right balance between allowing the industry to contribute to the economy and enable people to bet responsibly whilst ensuring consumers and communities are protected," Crouch said in a statement.

The call for evidence closes on December 4 after which the government will then consider its proposals.

The last time the government addressed the issue of stakes and prizes was in the last Triennial Review which reported in 2013 and which provided no major changes. However, in 2015 after considerable pressure from campaigners on FOBTs, the government introduced the so-called £50 journey legislation ordering that those accessing higher stakes of over £50 have to load cash via a staff interaction or use account-based play.

The call for evidence also makes mention of concerns expressed by local councils over the proliferation of gaming machines and says the government will “consider evidence-based proposals on the appropriate gaming machine allocations across all gambling premises.”

The document stated that given the new evidence regarding B2 machine play from the Responsible Gambling Trust (RGT) from December 2014 and the data collected from the £50 journey play since 2015, it was “timely to look again at the issue of B2 gaming machines within the wider review.”

The news follows the announcement late last week that the Competition and Markets Authority (CMA) would be launching an enquiry into the sign-up terms and bonuses offered by online gambling operators. The CMA is investigating whether there are breaches of consumer law following concerns raised by the UK Gambling Commission. The chief executive of the Commission Sarah Harrison said the fear was that the offers being made to consumers were designed to “bamboozle” the consumer rather than help them make informed decisions.

David Clifton, partner at legal consultancy Clifton Davies, told **TotallyGaming.com** that he sensed a change in tone from the new government in the Triennial Review announcement. “Whilst betting operators will no doubt consider that existing regulations strike the right balance insofar as ensuring that consumers and communities are protected from gambling-related harm, it is becoming increasingly clear that Theresa May’s government is looking for public sentiment to play a considerably larger role in the formulation of future gambling policy,” he said.

He added that coming so hard on the heels of the CMA decision and the UK Gambling Commission’s recent two-way conversation plan –

as well as the recent spate of Advertising Standards Authority (ASA) decisions against the industry – this new review was more likely than not to result in the imposition of “even greater restrictions” on both gaming machines and gambling TV advertising.

Among the analysts there was a fear that a reduction in stake limits on B2 machines could lead to a significant drag on earnings among the high-street bookmakers. Simon French at Cenkos said the impact of a cut to £2 maximum stake would be substantial. “We believe over £50 staking to be 1-2% of machine stakes but circa 10-20% of gross win and as the DCMS paper asserts, there has been a corresponding increase in stakes between £40-£50 since the introduction of the £50 journey.”

He added though that the potential impact of a reduction of machine numbers might wreak greater damage. “We think a reduction in the number of machines poses a far greater risk to shop profitability than the reduction in maximum stake; a combination of the two would be the worst possible outcome,” he added.

Totally Gaming says: Having enjoyed a relatively benign environment for more than a decade, the UK gambling sector – and in particular the large-scale high-street bookmaking and online combinations – are now under the cosh like never before. The best that can likely be hoped for from the Triennial Review is that stakes are cut and that the number of machines allowable remains the same. That would appear to be a long shot.

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