

[Sign up for updates](#)**SMF****Social Market  
Foundation**[HOME](#)[PUBLICATIONS](#)[EVENTS](#)[NEWS  
OPINION](#)[Home](#) > [Press & Media](#) > [Online gambling should face £100 a month cap on spend](#)

## MEDIA RELEASE

# Online gambling should face £100 a month cap on spend

**PUBLISHED:** 05 August 2020

Gamblers should be protected by a new £100-a-month cap on spending to limit the harm that can be done by online gambling, a think-tank recommends today.

Gamblers should be protected by a new £100-a-month cap on spending to limit the harm that can be done by online gambling, a think-tank recommends today.

The Social Market Foundation also calls for a sweeping overhaul of the way gambling firms are taxed, to put financial pressure on companies registered abroad to bring their operations to Britain.

The SMF, a cross-party think-tank, proposed a comprehensive new framework of regulation and oversight

for a gambling sector increasingly dominated by online playing. Its report comes ahead of a Government review of the 2005 Gambling Act, which ministers have said is not suitable for an era of online gambling.

The report recommends new “affordability checks” to protect gamblers from serious financial harm. It proposes a “soft cap” on spending where anyone who wanted to spend more than £23 a week on gambling products would have to prove they could afford to lose the money without hardship.

The majority of gamblers spend less than the proposed cap and would be unaffected (See Note 1) but the SMF said the new limit would protect players on lower incomes from potential harm.

The report also said that the stake limits on online slot games proposed by regulators should be set between £1 and £5. Non-slot online gambling games should face new restrictions on the way they are designed rather than financial limits, the SMF said.

The report also proposes a complete reform of the way gambling operators are taxed, to put greater burdens on firms based offshore in Gibraltar or the Isle of Man, and reduce the tax faced by companies that bring their operations “onshore”.

Gambling operators should be assessed according to their “onshore footprint”, a minimum threshold for their capital, human, social, legal and digital presence in the UK.

The smaller a firm’s footprint, the higher the levels of

Remote Gaming Duty and Betting Duty they should face, the SMF said. The proposed system would reward companies that bring their operations to Britain, while increasing the costs of operating “offshore”, the report said.

“Gambling taxation should be redesigned around a system of incentives which reflect a company’s level of onshore presence. This means that operators could still decide to base their headquarters in locations like Gibraltar, the Isle of Man, or Alderney, but that decision would carry significant tax implications,” the SMF said.

The report also calls for a comprehensive shake-up of Whitehall and the public bodies overseeing gambling and gamblers. The structures created by the 2005 Gambling Act are “no longer fit for purpose,” the SMF said.

The Department for Digital, Culture, Media and Sport should no longer have sole responsibility for gambling policy, being replaced by a new cross-government Gambling Quartet, the SMF said. (See Note 2)

The report lead author is Dr James Noyes, a leading authority on gambling policy and a former adviser to Tom Watson MP.

### **James Noyes said:**

*“For too long, gambling operators have talked about the need to protect their customers, but have not worked together in order to make affordability checks a reality. A fixed cap that applies across operators is the only way that consumers can be protected from harmful spend. Our*

*proposed threshold sets the bar low enough to protect everyone, including those on low income, but is high enough to reflect the vast majority of gambling activity among the general population. Gamblers should be free to spend more than this threshold – but only after they show that their gambling is neither unaffordable nor harmful.”*

#### On tax:

*“We need to see an end to the problem of offshore gambling tax avoidance. Gambling taxation should be redesigned around a system of incentives which reflect a company’s level of onshore presence. This means that operators could still decide to base their headquarters in locations like Gibraltar, the Isle of Man, or Alderney, but that decision would carry significant tax implications. The message to online gambling operators should be clear: if you want to benefit from the British market, then make a commitment to being based in Britain.”*

#### On the need for reform:

*“Our gambling laws were determined by a legislative review that is now almost 20 years old. Since then, online gambling has transformed the industry’s financial and social impact beyond recognition. The forthcoming Government review should be seen as an opportunity for a radical overhaul. Our laws and regulations need to catch up to ensure that British taxpayers get a fair deal, vulnerable*

---

## Contact

Linus Pardoe, SMF Impact Officer, [linus@smf.co.uk](mailto:linus@smf.co.uk)

## Notes:

### Note 1:

Analysis of the most recent ONS Living Costs and Food Survey data (2017-18) shows that the average spent by people who gamble across multiple activities is £8.50 per week, whereas the average amount spent on betting, bingo, and lottery per week is £8.20.

### Note 2:

The proposed Quartet would consist of:

- A new Gambling Licensing Authority (to replace the Gambling Commission) under the sponsorship of the Ministry of Justice;
- A new Gambling Ombudsman under the sponsorship of the Department for Business, Energy and Industrial Strategy;
- The NHS and UK Research Councils should fund and commission research education and training on gambling, via a statutory levy, under the sponsorship of the Department of Health and Social Care;
- The oversight of advertising, the Lottery, and sporting and cultural events relating to gambling should remain under the sponsorship of the Department for Digital, Culture, Media and Sport

### About the report:

The report was written by James Noyes, Senior Fellow of the SMF, and Jake Shepherd, SMF researcher. The SMF is a

registered charity committed to financial transparency. The SMF's financial supporters include Derek Webb, who is also an associate member of the All Party Parliamentary Group on Gambling Related Harm. Neither he nor the APPG have had any role in the research or writing of this report. The SMF retains full editorial independence over all its work.

The report, entitled *Gambling review and reform: towards a new regulatory framework*, is published at [www.smf.co.uk/publications/gambling-review-reform](http://www.smf.co.uk/publications/gambling-review-reform)

#### SHARE:



---

#### Related items: