

## Transcript of oral evidence given by GambleAware to the Fixed Odds Betting Terminal All Party Parliamentary Group.

GambleAware's Chair, Kate Lampard CBE, and Chief Executive, Marc Etches, gave the following evidence to the Fixed Odds Betting Terminal All Party Parliamentary Group on Tuesday 29<sup>th</sup> November.



**Carolyn Harris MP** If I can just start off by asking is there anything you'd like to tell us before we start asking you questions?

**Kate Lampard** If I may I shall start be reading a short statement and I know my colleague Marc Etches would like to do so too.

GambleAware, previously known as the Responsible Gambling Trust, has a mission to minimise gambling related harm. It does this by commissioning research, education and treatment services. The strategy of our research and the precise nature of that research is principally set by the RGSB, Sir Christopher's organisation. GambleAware also commissions research on its own initiative where its treatment and education work highlights the need for this.

I have recently taken up the role of chair, following a period undertaking complicated investigations into matters of public concern. I am committed to the role because I believe gambling-related harm is a social problem that has been overlooked, and underfunded for too long. I have an interest in mental health issues having in the past chaired a mental health trust. I hope to be able to make a difference to the way that the gambling industry, the state, and the public at large view and approach the issue of gambling-related harm.

GambleAware does not devise policy or give advice directly to policy makers but the research we commission is available to those, including policy makers, who wish to refer to it.

We are very happy to come before you to offer what insights we can from the research, education and treatment work that GambleAware does but we would caution that the issues you are looking at are complicated; the research does not provide any clear answers to the understandable concerns that you and the public have about FOBTs. The issues surrounding FOBTs are many and complicated and they are matters on which ultimately you and other policy makers are going to have to exercise your best judgment.

**Marc Etches** I should like to start by saying how pleased I am to be here and would like to thank you for the opportunity to participate in this important process.

In the last year, Gamble**Aware** spent over £5million commissioning a treatment system that consists of the National Gambling Helpline, community-based psychosocial interventions for problem gamblers and affected others, and a residential rehabilitation unit. All free at the point of delivery. Our eponymous advice website, Gamble**Aware**.org, is the most well recognised specialist website in Britain for those seeking advice about responsible gambling behaviour or help in dealing with problem gambling.

We have pioneered a national data reporting framework (DRF) to allow us to better evaluate the effectiveness of those services we fund and we are seeking to broaden the range of services we fund in the future, including public awareness campaigns, education and early interventions, relapse prevention as well as exploring how we might support on-line self-help and mutual aid initiatives. In particular, we are developing important relationships in Scotland, in Wales, in London as well as in other city regions such as Leeds and Liverpool to support existing and emerging advice, treatment and harm-minimisation services. We are funding projects investigating what can be done to help the homeless, serving military and veterans, those in prison and most especially young people.

All of us at Gamble**Aware** are passionate about what we do. Personally, I understand only too well the pain and anguish that is brought about by problem gambling. My brother has suffered a life-time of depression, often simultaneously relieved and deepened by problem gambling behaviour. I also know that people can and do recover. All of us at Gamble**Aware** want to make a positive difference.

In the last three years we have commissioned a significant body of independent, high quality research, much of which is ground-breaking, that has contributed substantially to the international body of knowledge. And we continue to do so.

I am not a researcher, nor an academic. However, I shall do my best to summarise what I think are some of the key findings from the research we have commissioned and, in doing so, I hope that I may help you in what is undoubtedly an important endeavour.

**Carolyn Harris MP**

You talked a lot about the funding that you provide to projects which deal with the problem. Can I ask how you are funded?

**Kate Lampard**

We are funded by the industry. As a requirement for their licences, they have to make a contribution to Research Education and Treatment and the protocol of the Gambling Commission says that they will be deemed to have made that contribution if they make a contribution to Gamble**Aware**.

The issue, however, for us is that there is no stipulated sum that they have to contribute. So we have got an issue in terms of persuading all of the industry about what we think is an appropriate contribution. We have assessed that appropriate contribution, based on looking at what we would like to do with gambling-related harm, at 0.1% of gross gambling yield, which is a modest sum in our view and very modest in comparison to, for instance, the amount which is required statutorily in some of the jurisdictions in the United States, where it is set at 2% of gross gambling yield. So, our work depends very much on getting the industry to accept that that is the sum they should be contributing and making sure that all of them pay it.

- Carolyn Harris MP** Do you feel that given you are funded by the industry do you feel that that compromises your independence?
- Kate Lampard** I think that there could be a perception of that. I am confident that in reality that is not the case. When I came into post, I looked at what the arrangements were. We have very clear guidance, very clear arrangements for ensuring that we undertake our research, and identify the work that we should be doing in terms of research, through only our independent directors - our independent trustees - and of course the existence of the RGSB, designing what research must be done is really the principal safeguard against there being an evident conflict.
- Earlier this year a complaint was made to the Charity Commission based on the suggestion that there were conflicts but the Charity Commission, having investigated, ruled that actually those conflicts were appropriately and well managed and I am, of course, not from the industry and I have been put there to make sure that perceptions are dealt with, as well as the reality.
- Carolyn Harris MP** If I can go back to your appointment then, the previous chair, there were issues over the resignation there, there were matters of public concern, can you share some of that with us?
- Kate Lampard** I can't share any of that with you because obviously I don't know. So far as I am aware, it was an acceptance by my predecessor, by the board of trustees generally - the directors generally - that there needed to be a move towards independence and that having an industry chair was an issue for the credibility of the organisation and so I was asked if I would apply and I have applied and I have been appointed.
- Carolyn Harris MP** You were headhunted?
- Kate Lampard** I was headhunted and here I am.
- Carolyn Harris MP** Always a good position to be in. You've talked about the research that you've done, why have you never looked at stake reduction?
- Marc Etches** The research that we've carried out, as Kate has said, has been done on the basis of discussions with the RGSB. Specifically in relation to the research that we did around machines in bookmakers, the focus there was to endeavour to identify whether it was possible to identify the difference between harmful and non-harmful play as a basis on which one might then ensure that minimisation of gambling-related harm might be effective. So, that was the basis on which we set about to commission quite a wide body piece of research that I think has brought forward a great deal of understanding about player behaviour that can now, I hope, inform the discussions that you will have about, for example, stakes.
- One of the things I would say about that - and indeed this comes through not only in the research on machines in bookmakers but in fact some of the wider body of research that we've done - is that researchers have expressed caution about just simply looking at one characteristic in play; recognising that stake is an important characteristic but also too that there are others such as: speed of play; volatility of a machine; the return to player of a particular machine; but also too that players of gambling machines in whatever venue they may be in, their play changes and they will move to different venues, they will play different games.
- We also know that problem gamblers are more likely to play in a range of activities, not stick just to one - that's not to say there aren't problem gamblers focused on one or two activities - but mostly they will play on a range of activities, so some of the broader outputs of this research say that one just needs to be careful both at looking at the picture in the round, both in terms of

when one looks at gambling machines but gambling-related harm across the whole industry.

**Stuart McDonald MP** Ms Lampard, I was quite interested in the idea of a fixed contribution from the industry you mentioned 0.1% is what you need to do your work. Are you saying there are significant players in the industry who are contributing less than that at the moment?

**Kate Lampard** There are some. At the moment we have contributions from 80% of the industry and although we have contributions from 80%, within that 80% there are some who we do not feel are necessarily giving us their 0.1% and it is difficult for us to ascertain what that might be at the moment because the information about their gross gambling yield isn't available to us, it rests with the Gambling Commission.

**Stuart McDonald MP** I suppose another benefit of a fixed contribution would be to bolster the perception of independence if your research could no way ever be seen to try to encourage contributions?

**Kate Lampard** I think there would be obviously a boost to the perception of us as independent if everybody was making the contribution because they had to rather than because they need to be convinced it's the right thing to do and they appreciate the value of the work we do.

**Stuart McDonald MP** You mentioned the US as being one jurisdiction in which there is such a fixed contribution?

**Kate Lampard** I think there are a number of states, there are one or two states where there is a fixed contribution of 2%

**Stuart McDonald MP** Are you aware of any other countries in Western Europe where..

**Kate Lampard** I'm not sure of that but we could certainly let you have that information outside the meeting.

**Stuart McDonald MP** In terms of FOBTs of what you've done on FOBTs have you looked at the impact or effects of the machines on individuals ?

**Marc Etches** Indeed, one of the important aspects of this research that we commissioned was to endeavour to link play that was revealed by data from machines to actual players, and this was work that was carried out by NatCen. With the assistance of the industry, they were given access to loyalty card holders and, indeed, the sample was some 4,000 loyalty card holders, and by looking at their machine behaviour but also too being able to qualitatively provide them with questionnaires and understand more about who they are, then that was an opportunity to better understand the types of players.

I would say that one has to be very careful in understanding that, firstly, loyalty card holders - there are I think just 5% of overall players were loyalty card holders - and NatCen, in order to find sufficient numbers of problem gamblers, and this was defined by virtue of matching against a problem gambling screen, the PGSI, then they looked very hard for problem gamblers and so their sample was skewed.

So, the results that have come out of that research, one must remember they are not necessarily representative of the whole. But certainly, this produced a sample of 950 Problem Gamblers, and when we think about the British Gambling Prevalence Survey it has samples of about 60, it's a very substantial size cohort of problem gamblers. In the depths of that research, you will see a

great deal of information about their behaviour. I'm very happy to take you through some of the detail if you have time for it this morning.

**Stuart McDonald MP** Before we do that, you've spoken about a complicated issue and all the various factors in play. As an organisation do you shy away from coming to conclusions on, for example, what changes should be made to licensing powers or stake reductions, for example, you just present evidence and don't make suggestions to policy makers?

**Marc Etches** I think that is correct.

**Stuart McDonald MP** Are you planning to feed into the government's review just now?

**Marc Etches** Yes the deadline is Sunday and we shall indeed be making a submission.

**Stuart McDonald MP** Have you got work or research into FOBTs that is happening just now or do you plan future work?

**Marc Etches** Yes, there is ongoing work. The original body of work - there were some seven reports published in December 2014. The RGSB asked us to commission some secondary analysis which was finished earlier this year and, indeed, we have just commissioned a piece of work that is looking further at the data that the DCMS analysed, trying to look at the difference between before and after when the £50 regulations were brought in. We have commissioned Professors Forrest and McHale to do a piece of work of further analysis of what has happened before the regulations came in and after, and we would hope that is available at some point in January.

**Carolyn Harris MP** Could I take you back to stake reduction. Do you now think that the public perception could lead you to do a piece of work looking at stake reduction?

**Marc Etches** I think within the body of work, there is some substantial evidence upon which policy makers can think about this question.

Perhaps, I might just take your time for a little bit of the detail. I will just focus on problem gambling, and it is this: So within the research that involved putting together the data from machines and the questioning of loyalty card holders, through that, they were certainly able to find in all of this data that problem gambling happened at all staking levels, that is true, but undoubtedly it happened disproportionately - problem gambling appeared disproportionately - with higher staking levels.

Within this, they also looked at what threshold there might be where there would be more problem gamblers than less problem gamblers and the threshold they found was at £28. But I do just once again say that this is covering just 5% of players who are loyalty card holders and is not necessarily representative of the other 95, but at £28, of that sample, 44% were problem gamblers and 25% were moderate risk. But I can't on that basis say this is what you must do. That is the sort of detail evidence that is within the research that we have commissioned and published about which you and others undoubtedly will make judgement.

**Carolyn Harris MP** Is this the same research where it said that 100% of those who stake over £100 were unemployed?

**Marc Etches** I don't recollect that it said 100% but certainly, being unemployed was a factor that one should take into careful consideration, absolutely. There were other characteristics as well of play that were important and one of the interesting themes that comes out of this is, as the day gets longer, as you move into the evening, then stake sizes go up and indeed more problematic play appears more often, later in the day. And that is interesting, not only in of itself, but

actually in some of the other research we've commissioned around, for example, machine play in casinos, you see the same pattern. There are certainly correlations with some of your background, if you are unemployed certainly. And I think if you are young, male, unemployed then the likelihood of being a problem gambler does increase. But so does where you play and when you play.

**Carolyn Harris MP** You will be aware at our last meeting we disclosed we'd ask the ABB to come and give evidence and following that there was an email from the ABB declining the opportunity to come and talk to us. At the meeting, the minister expressed her surprise and there was an article in a newspaper where the ABB referred to us as a kangaroo court. Are you surprised that the ABB declined to come and talk to us?

**Kate Lampard** Personally, I am. I think it's a very curious thing for them to have done.

**Marc Etches** In terms of £100 stake, absolutely problem and unemployed gamblers were more likely to have placed a £100 bet more often but also too minority ethnic and problem gamblers are more likely to themselves to have placed £100 bet so those two things were true.

**Stuart McDonald MP** One more question. One piece of research touched on the use of algorithms can you say a little bit more about what the conclusions were?

**Marc Etches** The core body of research was indeed focused on algorithms. I suppose one of the things that I would say about the outcome of just doing this research is that I believe it has had quite an impact on the industry recognising that it needs to know its customers better and there is a role for algorithms.

It was on the basis of algorithms that the conclusion that, it is possible by using algorithms, to distinguish between harmful and non-harmful play. It is possible - it is not a very exact science some of the other research will say one should be careful not to rely on data.

**Stuart McDonald MP** If I said the use of algorithms was of limited value to gambling-related harm, do you agree or disagree with that?

**Marc Etches** I think it is important but I would agree it is part of a mix. One also has to recognise the value of qualitative work – that is research that actually involves the customer themselves. Also, important to see and understand how customers play in the environment. There's been quite some things said at times about the focus on either a product or on a player: our own view is that if you take a public health view of all of this, that in fact it is very important to look at the relationship between product, the player, and indeed the environment in which it is played. Yes I agree, it cannot just be a matter resolved by data alone.

**Carolyn Harris MP** Is there anything else you'd like to share with us?

**Kate Lampard** Well I'd just like to emphasise Marc's point about that the issues to do with FOBTs are not simply about the structure of the games that people play; but it is the environment, it is the circumstances of the individual players, it is a number of social issues that we have touched on, and there are lots of attendant issues that people are concerned about generally: where FOBTs are, the location of them, the hours which people are able to play them, these are issues which have a broader social voice as it were and it is for policy makers to determine those sort of issues and what they think about them, so very good luck to you.

-ENDS-

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**NOTES**

- Gamble**Aware** is the leading charity in the UK committed to minimising gambling-related harm. As an independent national charity funded by donations from the gambling industry, Gamble**Aware** funds education, prevention and treatment services and commissions research to broaden public understanding of gambling-related harm. The aim is to stop people getting into problems with their gambling, and ensure that those who do develop problems receive fast and effective treatment and support. Click here to find out more: <http://about.GambleAware.org/>
- Gamble**Aware** currently raises over £7 million each year in voluntary contributions from those who profit from the gambling industry operating in Great Britain. This donation based system was proposed under the Gambling Act 2005 and is prescribed by the Gambling Commission in its Licence Conditions and Codes of Practice.
- Gamble**Aware**'s programme of treatment, education, harm prevention and research are guided by the [National Responsible Gambling Strategy](#), which is defined by the independent Responsible Gambling Strategy Board ([RGSB](#)) and endorsed by the [Gambling Commission](#). The RGSB, the Gambling Commission and Gamble**Aware** work together under the terms of an [agreement](#) in place since 2012.
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