

UK FOBT RESEARCH

2007 BRITISH GAMBLING PREVALENCE SURVEY SECONDARY STUDY

- Individuals who used FOBTs were associated with the highest mean number of problem gambling symptoms during the previous 12 months.
- The top five prevalence rates of any problem gambling symptoms were for those that used FOBTs (26.9%), spread betting (26.3%), casino table games (17.1%), sports betting (16.8%) and betting on dogs (16.1%).
- Using logistic regressions, the authors sought to illustrate how well each type of gambling contributes to the “prediction” of gambling problems.
- The top five odds ratios were for FOBTs (24.01), spread betting (21.84), internet gambling (9.58), betting on dogs (9.39) and casino table games (8.15).
- When “involvement” (i.e. the number of types of gambling used in the previous 12 months by individuals) was factored into the modelling, FOBTs were the only gambling type that maintained a significant positive relationship to disordered gambling.
- FOBTs had the strongest association with gambling-related problems, but few people (2.6%) had used them in the previous 12 months, suggesting specific types of gambling represent increased risk.
- A summary of this research is here -- <http://www.stopthefobts.org/wp-content/uploads/2015/10/2014-11-28-Research-Summary-Disordered-gambling-type-of-gambling-and-gambling-involvement-in-the-BGPS-2007-v1.2.pdf>

2010 BRITISH GAMBLING PREVALENCE SURVEY SECONDARY STUDY

- Problem gambling prevalence was highest among those who reported that they gambled on nine or more different activities on a regular basis (27.8%). However, the frequency and spend on different gambling products by problem gamblers is not determined by the BGPS.
- Professor Jim Orford, Heather Wardle and Professor Mark Griffiths (2013) sought to address this by estimating how many days play of each gambling activity was attributable to problem gamblers and how much problem gamblers spend on each gambling activity.
- The authors found only three gambling activities where the estimate of days play attributed to problem gamblers exceeded 20%: casino games (31%), FOBTs (26%) and dog races (22%). In other words, problem gamblers account for 26% of the total time spent on FOBTs by both problem and non-problem gamblers combined.
- Problem gamblers lost £297m on FOBTs, and £57m on dog racing. This compares to £76m on table games in casinos, £57m on horse racing, £47m on slot machines, £18m on football pools and £16m on bingo. Problem gambler losses on FOBTs are greater than several other leading gambling activities combined.
- The authors also estimated the days and spend attributable to problem and moderate risk gamblers combined and found that this varied from 5-6% for lotteries. It was as high as 40% for FOBTs and for dog racing.

- However, it is important to note that problem gamblers lose nearly four times as much on FOBTs compared to dog racing, which indicates that FOBTs have the capacity to cause greater harm.
- A summary of this research is here -- <http://www.stopthefobts.org/wp-content/uploads/2015/10/2014-11-28-Research-Summary-What-proportion-of-gambling-is-problem-gambling-BGPS-2010-v.1.2.pdf>

RESPONSIBLE GAMBLING TRUST RESEARCH

- The research focuses on one element – the individual – rather than also focusing on stakes and prizes. Key metrics used by FeatureSpace in developing a problem gambling detection algorithm included: frequency and duration of play, net expenditure, levels of play engagements, number of activities or game types undertaken, and chasing. The omission of stake size from predictive model analysis is a glaring error that precludes FOBT policy relevance.
- Report 2, Page 9 states that 19% of those that bet an average of 53p per spin or lower were problem gamblers, but 82% of those that bet £13.40 or more were either problem or at risk gamblers. 31% of problem gamblers had an income level of less than £10,400 per year.
- Report 2, Page 69 shows 37% of FOBT players have experienced problems -- http://www.responsiblegamblingtrust.org.uk/user_uploads/pdfs/report%202020identifying%20problem%20gambling%20-%20findings%20from%20a%20survey%20of%20loyalty%20card%20customers.pdf
- Report 5 found that gambling at £20 compared to gambling at £2 reduced decision making ability -- http://www.responsiblegamblingtrust.org.uk/user_uploads/pdfs/the%20role%20of%20stake%20size%20in%20loss%20of%20control%20in%20within-session%20gambling.pdf
- In an evaluation of the research, Professor Linda Hancock argued: “The results point to the need for implementation of lowered bet limits to protect players from machines that are calibrated too high for locally accessible venues on high streets.” An executive summary of this evaluation is here -- <http://www.stopthefobts.org/wp-content/uploads/2015/03/Hancock-and-Hanrahan-CfFG-Executive-Summary-4March15.pdf>

SOME RESULTS ON THE EFFICACY OF METHODS OF REGULATING MACHINE GAMBLING – DR. STEPHEN CREIGH-TYTE

- Former chief economist and head of research at DCMS, Dr Stephen Creigh-Tyte, found that: “...binding limitations on wagers can limit the maximum session losses suffered by punters. The effect tends to be greater the higher the prize and the larger the probability of winning and the lower the time taken by each game.”
- “This finding is in line with Blaszczynski et al. which found that there was a large reduction on time played, number of bets, money lost and consumption of alcohol and tobacco among players of machines the stake of \$1 compared with those who played machines with maximum stakes of \$10.”

RELEVANT INTERNATIONAL RESEARCH

STRUCTURAL CHANGES TO ELECTRONIC GAMING MACHINES AS EFFECTIVE HARM MINIMISATION STRATEGIES FOR NON-PROBLEM AND PROBLEM GAMBLERS – LOUISE SHARPE, ALEX BLAZCZYSNKI

- The study aimed to evaluate the effectiveness of three proposed modifications to the structural characteristics of electronic gaming machines (EGMs) as harm minimisation strategies for non-problem and problem gamblers. Structural changes included reducing the maximum bet per spin, reducing reel spin and removing large note acceptors.
- Those playing machines with a \$10 maximum bet spent more time, placed more individual bets, sustained greater losses, smoked more cigarettes and consumed more alcohol than those playing machines with a \$1 maximum bet. Patterns of play with faster reel spin speed (3.5 compared to 5 seconds) and for machines with and without the high denomination note acceptors did not differ.
- Problem gamblers were four times more likely to wager in excess of \$1 a spin compared to non-problem gamblers.
- This research informed the Australian Productivity Commission's recommendation for a "Dollar Bet Limit" in 2010 --
<http://www.stopthefobts.org/wp-content/uploads/2015/09/Australian-Productivity-Commission-1.pdf>

GAMBLING EXPENDITURE PREDICTS HARM – FRANCIS MARKHAM

- At a venue level, per capita EGM expenditure was significantly correlated with rates of gambling harm. The level of gambling-related harm varied substantially among venues, both between venues of different types and within each category of venue.
- The prevalence of gambling-related harm at the venue level was correlated with estimated monthly EGM expenditure per adult. Each \$20 increase in monthly EGM expenditure per adult was associated with an estimated 1.75% increase in the prevalence of gambling harm for a club with 22 EGMs.
- This is particularly relevant to a UK context when 1-2% of the population use FOBTs yet they derive £1.6bn per year in gross gambling yield. This research can be found here --
<http://www.stopthefobts.org/wp-content/uploads/2013/03/gamblingconsumption-and-harm-3.pdf>

RAPID ONSET OF PATHOLOGICAL GAMBLING IN MACHINE GAMBLERS – ROBERT BREEN, MARK ZIMMERMAN

- Surveyed 44 problem gamblers, and broke them down by their favoured form of gambling.
- They found that: "The mean latency of problem gambling onset in the 19 subjects who were traditional gamblers at the time of onset was significantly longer than the latency of the 25 subjects who were machine gamblers."
- Therefore, problem gambling occurred in machine gamblers much faster than those who favoured other forms of gambling.

- The full report is here -- <http://stoppredatorygambling.org/wp-content/uploads/2013/04/Breen-and-Zimmerman-Rapid-Onset-of-Pathological-Gambling-in-Machines-Gamblers.pdf>

TYPE OF GAMBLING AS AN INDEPENDENT RISK FACTOR FOR SUICIDAL EVENTS IN PATHOLOGICAL GAMBLERS – BISCHOF

- 442 participants with a lifetime diagnosis of pathological gambling took part in a standardised clinical interview. High financial losses were associated with suicidal events, alongside mood disorders.
- Gambling on electronic gambling machines in gambling halls or bars was associated with increased odds of suicidal events. Other types of gambling, such as casino games or betting on sports, or the number of DSM-IV criteria of symptoms for pathological gambling, were not associated independently with suicidal events.
- The findings suggest that gambling on electronic gambling machines in gambling halls or bars is associated with suicidal events in pathological gamblers independently of comorbidity. This result shows that the type of gambling needs to be considered as a relevant factor.
- The research can be found here -- <http://www.ncbi.nlm.nih.gov/pubmed/26795395>

FLASHING LIGHTS AND MUSIC TURN RATS INTO PROBLEM GAMBLERS – UNIVERSITY OF BRITISH COLUMBIA

- Research published in the Journal of Neuroscience discovered rats behaved like problem gamblers when sound and light cues were added to a “rat casino” model.
- Researchers were able to correct the behaviour by blocking the action of a specific dopamine receptor, laying the groundwork for possible treatment of gambling addiction in humans.
- This is relevant to FOBTs, which add enhanced audio and visual features to a much faster variation of roulette, making it more addictive.

THE RELATIONSHIP BETWEEN PLAYER LOSSES AND GAMBLING-RELATED HARM – FRANCIS MARKHAM

- The study found that the more you gamble, the greater your risk of developing problems. There is no safe level of gambling, only risks that increase as you lose more money – even at relatively low levels of losses.
- These findings are important because they contradict conventional wisdom that there is a threshold below which gambling is safe. According to this view, only after a particular consumption level does risk mount.
- Public information about gambling should not imply that moderate gambling is risk-free. Public health messaging similar to that which related to tobacco should also apply to poker machine gambling.
- A write up of this research is here -- <http://theconversation.com/gambling-on-pokies-is-like-tobacco-no-amount-of-it-is-safe-51037>

RELEVANT UK RESEARCH

CURRENT TRENDS IN SLOT MACHINE GAMBLING – MARK GRIFFITHS AND SUE FISHER

- It is demonstrated that throughout the world, research findings have linked slot machines with pathological gambling. Slot machines are now the predominant form of gambling activity by pathological gamblers treated in self help groups and professional treatment centres in numerous countries.
- The full paper is here --
<http://link.springer.com/article/10.1007/BF02104791>

THE HIDDEN ADDICTION – ROYAL COLLEGE OF PSYCHIATRY

- Current services for problem gambling treatment are “underdeveloped, geographically ‘patchy’, or simply non-existent. A treatment response is needed to match the expansion of gambling in Britain. Research indicates that the overall number of adults gambling in Britain is increasing, and the number of adult problem gamblers is also rising with 450,000 in Britain today.”
- Expresses “significant concerns” about betting shops “visibly clustering together on the high street” and notes that “fixed odds betting terminals have been linked with problem gambling”.
- “Touchscreen electronic gaming machines, fixed-odds betting terminals may pose a greater risk of causing problem gambling than other forms of gambling. This has been reported as being partly due to the ability to stake up to £100 on a game that can be played rapidly and repeatedly, and the introduction of more than 33,000 fixed odds betting terminals into betting shops across Britain.”

HOUSE OF COMMONS SCIENCE AND TECHNOLOGY POST NOTE ON ADDICTIVE BEHAVIOURS

- “Widely-available electronic gaming machines are associated with the highest rates of problem gambling worldwide; in contrast, casinos that require deliberate planning and travel efforts tend to discourage repetitive and impulsive conduct. Anecdotal evidence suggests some forms of gambling are more addictive than others. Generally, forms of gambling that are most addictive are those that allow for continuous play and which offer quick and frequent payouts.”
- This can be found here --
<http://www.parliament.uk/documents/post/pn356%20-addictive-behaviours-corrected.pdf>

ECONOMIC STUDIES

THE ECONOMIC IMPACT OF FIXED ODDS BETTING TERMINALS – LANDMAN ECONOMICS

- Because expenditure on FOBTs supports relatively little employment compared with consumer expenditure elsewhere in the economy, Landman Economics found that £1bn of “average” consumer

expenditure supports around 21,000 jobs across the UK as a whole, whereas £1bn of expenditure on FOBTs supports only 4,500 in the UK gambling sector.

- This implies that an increase of £1bn in consumer spending on FOBTs destroys over 16,000 jobs in the UK.
- If current growth rates are maintained, gross industry revenues from FOBTs will double in real terms over the next ten year, resulting in a gain of around 5,000 jobs for the gambling sector by 2025-26, but a reduction of around 25,000 jobs for the economy as a whole.
- At the end of the ten year period, the total annual wage bill in areas where FOBTs are established will be around £700m lower than if FOBT use remained at its 2015 level.
- At the end of the ten year period, net tax receipts will also be around £120m per year less due to the expansion of FOBTs. Revenue from Machine Gaming Duty is forecast to increase by around £280m but this is more than offset by reduced receipts from income tax and National Insurance contributions (due to lower employment) and reduced VAT receipts (due to lower consumer spending on other goods and services).
- Increased proliferation of FOBTs also appears to be linked to an increase in the number of incidents in betting shops which required police assistance – up by 51 per cent in 2014 compared to 2013.
- The full report is here -- <http://fairergambling.org/wp-content/uploads/2016/02/The-Economic-Impact-of-Fixed-Odds-Betting-Terminals-20151.pdf>

THE STAKE OF THE NATION – NERA ECONOMIC CONSULTING

- Key evidence on the adverse economic impact was provided by the consultation response from the Association of British Bookmakers (ABB), which claimed around 7,900 betting shops and 39,000 jobs would be “at risk” if the maximum stake for FOBTs were reduced to £2.
- There are several reasons why the ABB have overstated the likely impact: (i) It assumed a very large (68.6%) reduction in the gross profits from FOBTs. NERA identified a number of reasons why the impact could be less than this. (ii) It ignored the likelihood that at least some of the money no longer spent on FOBTs would switch to over the counter betting, thus mitigating the overall impact; and (iii) its approach of defining shops as “at risk” is seriously flawed. It does not mean that a shop is likely to close in practice, and the definition of “at risk” is far too wide.
- NERA’s calculations suggest that the number of shop closures could be between 700 and 1200. This would leave the industry with just 5 to 10 per cent fewer shops than in 2000, before the introduction of FOBTs.
- The overall impact on employment and tax revenues for the UK could well be a positive, perhaps a net increase of between 1,200 and 2,400 jobs as a result of increased spending in other sectors of the economy.
- The full report is here -- <http://fairergambling.org/wp-content/uploads/2014/04/nera-report-040414.pdf>