

## By email

28 February 2018

Rt Hon Matt Hancock MP  
Secretary of State for Digital, Culture, Media and Sport  
Department of Digital, Culture, Media and Sport  
100 Parliament Street  
London  
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Dear Secretary of State

## Review of Gaming Machines and Social Responsibility Measures

Consistent with the Gambling Commission's statutory duty to advise you on gambling and its regulation, I am writing to set out our advice in relation to the Government's Review of Gaming Machines and Social Responsibility Measures.

At the heart of our advice is an aim to reduce the risks that consumers, especially those that are vulnerable, face from gambling. We think that action – from government, the Gambling Commission and operators – is needed to achieve that aim. Our approach to developing this advice has been to analyse all available evidence and to consider the extent to which any proposal is reasonably consistent with the licensing objectives established in the Gambling Act. Neither of these is straightforward in practice. Often the evidence is neither definitive nor clear cut and assessing consistency with the licensing objectives inevitably involves a degree of judgement. Lack of conclusive evidence must not be a reason for inaction where there is a risk of consumer harm. On that basis, our advice reflects a precautionary case for action.

The underlying causes of gambling related harm are many and complex in nature. For this reason, we see a need for a package of measures. While the package which we are recommending includes a stake cut for Category B2 gaming machines, our advice is clear that any serious attempt to reduce the risk of harm must not rely solely on a change to the stake limit for one product, which only 1.5% of the population plays each month. The package should include, for example, action to improve the tools available to customers to help them to manage their gambling. The gambling industry can do much more to develop and encourage the use of such tools by consumers. We will work with the industry to improve the current tools and to increase their availability on Category B1 and B3 machines.

We are clear that the gambling industry has made insufficient progress in relation to the objectives of the National Responsible Gambling Strategy. This includes meeting GambleAware's funding targets



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in full and on a sustainable and guaranteed basis. We think there is a strong case for a statutory levy to pay for research, education and treatment if the industry cannot deliver the funding that is needed.

Our advice also includes the main conclusions from the Commission's own reviews of online gambling and the arrangements for research, education and treatment (RET). I enclose copies of the reports from our online and RET reviews. We will publish these reviews and our formal advice in the coming weeks. In respect of the online sector, we have concluded that these businesses should be doing more to protect players, in particular by ensuring operators know much more about their players before they allow them to gamble. Accordingly, we plan to strengthen our regulatory requirements for online operators.

One of the biggest constraints on progress to tackle the risk of harm is that consumers, gambling firms and policymakers have too little information to support safer gambling. So, we see significant potential in tracked play to provide information that would help:

- consumers to understand and manage their own gambling
- gambling operators to identify when players are at risk of harm, so that they can intervene at an early stage to help
- policymakers to get a better understanding of risks to consumers and to understand how effective any policy changes are at making gambling safer.

Tracked play would not deliver these benefits automatically. Consumers, operators and policymakers would need to make effective use of the data it provides. But it would provide scope to do so much more than would otherwise be possible.

As required by Section 26 of the Gambling Act I am sending a copy of this advice to the First Minister of Scotland.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'William Moyes', with a long horizontal flourish extending to the right.

William Moyes  
Chair