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Written by Ben Ryaner, Political Consultant on 20 October 2017



When Culture Secretary Karen Bradley announced last October that the Government would conduct a review of gaming machines and social responsibility in the gambling industry, she added fuel to a long running and often personal feud between campaign groups and industry on the ethical dilemmas facing gambling and the role of Fixed-odds betting terminals in modern society.

Expected to be published later this month, the Government proposals will attempt to strike a fine balancing act between acknowledging valid concerns people have over the addictive nature of FOBTs while ensuring the industry remains financially sustainable.

While the review will cover the maximum stakes and prizes of all gaming machines it is the over [34,000 B2 FOBT machines](#) [1] where the axe is expected to fall, following intensive scrutiny from the media and campaign groups.

Classified as B2 gaming machines under the Gambling Act 2005, FOBTs are electronic machines sited in betting shops, on which customers can play a variety of games including roulette. Each machine accepts bets for amounts up to a pre-set maximum and pays out according to fixed odds on the simulated outcomes of games.

Currently the maximum stake for B2 machines is £100 and the maximum prize is £500. A long running campaign from activists such as the Campaign for Fairer Gambling (CFFG) have called for this stake to be reduced to as little as £2, a move which the industry is adamantly opposed to.

Described by such activists as the “crack cocaine” of gambling, the fast-paced nature of FOBTs can result in customers running up huge losses in a short period of time and can have a detrimental impact on people’s lives, especially those susceptible to addiction. The CFFG recently tried to portray this in their own research, which indicated that losses on FOBTs are largest in deprived areas where addiction can have a serious impact on the community.

A recent [report](#) [2] from the Conservative thinktank ResPublica highlighted this fact and made the striking observation that Britain is currently the only developed country that has such a high maximum stake in its high street bookmakers.

In response, the industry has long argued that while gambling addiction is an issue, there is no evidence of a correlation between FOBTs and problem gambling and that stake cuts would not tackle the problem.

Despite this, over recent months there has been a growing cross-party consensus that the maximum stake needs to be reduced, with the APPG on FOBTs publishing a [report](#) [3] in January supporting calls for the stake to be reduced to £2 and for the speed of spins on machines to be reduced. These calls have been echoed by Labour and the Liberal Democrats who both adopted this stance in their General Election manifestos.

While there may be a strong moral argument to reduce the stake, the industry has made strong representations to Government that reducing the maximum stake to £2 would put betting shops and jobs at risk. The Association of British Bookmakers (ABB) have said that such a change would “destroy over 20,000 jobs, close thousands of betting shops, cost millions of pounds in lost taxes for the Government and end a popular activity for millions of people”.

It is on the taxes argument, that the industry has one of its strongest arguments, with the Chancellor Philip Hammond reportedly set to be worried about a loss of income for the Treasury, with gambling revenue contributing on average £400m a year in taxes. Therefore, any decision by Government to reduce the maximum stake has to be taken with the acknowledgement that it will have an impact on the Treasury coffers, which are already being stretched to deal with any negative impact emerging from Brexit.

While it is recognised that the Government proposals (which once published will be sent out for consultation) will most likely call for some form of reduction in the maximum stake, it is unclear how low it will actually be. With a £2 reduction potentially fatal for the gambling industry and a Treasury preparing to stump up the cash for any Brexit fallout, it would more fit the characteristics of the present Government to strike a balance with a compromise figure of between £20-50 being floated.

Only time will tell who gets the last roll of the dice.

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[1]
<http://www.gamblingcommission.gov.uk/news-action-and-statistics/Statistics-and-research/Statistics/Industry-statistics>

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[2]

<http://www.respublica.org.uk/our-work/publications/wheel-misfortune-case-lowering-stakes-fixed-odds-betting-terminals/>

[3] <http://fobt-appg.com/wp-content/uploads/2017/01/FINAL-FOBT-APPG-REPORT.pdf>

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