8 January 2018

Carolyn Harris MP
Chair of APPG FOBT
House of Commons
London
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Dear Carolyn Harris

RGSB's advice in relation to the DCMS review of gaming machines and social responsibility measures

Thank you for your letter regarding the advice submitted by the Responsible Gambling Strategy Board to the Gambling Commission on 31 January 2017.

The Gambling Commission published our advice on 31 October 2017, to coincide with the start of the Gambling Review consultation period. Because of the timelag we added an updating annex to take account of any evidence which became available in the intervening period. The annex concluded:

'Attempting to understand the association between specific gambling products and gambling-related harm remains complex, and predicting the impact of changes to a product is more difficult still. The new evidence that has become available does not contradict the conclusions we set out in January, and in many places it appears to strengthen them'. Therefore, we consider that our advice is as relevant now as it was when we first submitted it to the Gambling Commission.'[1]

I can confirm therefore that the published advice continues to represent the Board's position on stake reduction. I hope you will have found that the care we took to consider all the available

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[1] RGSB advice document (Annex, Para 16, Page 44)

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evidence independently and objectively provided a useful addition to the evidence submitted to your enquiry by others.

I am sorry you think our advice downplays the importance of research by Dr Alex Blaszczynski, who is, of course, well-known to the Board. I imagine the paper you have in mind is '*The Assessment of the Impact of the Reconfiguration on Electronic Gaming Machines as Harm Minimisation Strategies for Problem Gambling*'[2], published in 2001, referred to in a published paper by Dr Creigh-Tyte in 2005[3] and a later, unpublished, one in 2014[4].

The Blaszczynski paper used interviews with gamblers and experimental findings to review the potential of a variety of player protection measures on electronic gaming machines. It concluded that a '*reduction in maximum bet size from $10 to $1 would be a potentially effective harm minimisation strategy for a small proportion of players*'. I am sure that you will have noted the qualifications mentioned in the paper about potential biases in the sample. There is also the point that experimental findings, important though they can be, are of their nature less powerful evidence than that produced from observations of real life behaviour.

Dr Blaszczynski, also notes, as does Dr Creigh-Tyte in his (theoretical) paper, that the potential for players to switch their play to other products will have a significant effect on how effective this type of intervention will be. The types of product players might switch to include other land-based forms of gambling, or online products. Dr Blaszczynski's paper is based on an experiment involving Australian players (where different alternative land-based products are available) and written in 2001, before the development of the online gambling market which makes up around 30 per cent of today's gambling industry.

That said, Dr Blaszczynski's conclusions on this point are very similar to our own: '*A reduction in maximum stake might have some effect on harm. It would reduce the opportunity for players to*

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[2] The Assessment of the Impact of the Reconfiguration on Electronic Gaming Machines as Harm Minimisation Strategies for Problem Gambling Final Report; A Report for The Gaming Industry Operators Group Blaszczynski, Alex, Sharpe Louise and Walker, Michael, 2001

[3] What does economics tech us about the regulation of machine gambling? John Lepper, Stephen Creigh-Tyte, 2005

[4] Some results on the efficacy of methods of regulating machine gaming, John Lepper, Stephen Creigh-Tyte, 2014 (Unpublished)

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place large stakes quickly. That could be important for some players, possibly including some of those suffering the greatest harm'.[5]

I should perhaps correct a misconception. Dr Blaszczynski is not an advisor to the Responsible Gambling Strategy Board. He does, however, have a role on the Independent Research Review Group supporting GambleAware.

Your advisers may not be aware that a version of the secondary analysis to which you refer was published in December 2016[6], following a presentation made at a conference in Las Vegas in June 2016. A further analysis focussing more precisely on stake size was provided to DCMS and the Gambling Commission in the form of a spreadsheet in March 2017. Relevant data from this analysis was included in the updating annex published with our advice in October 2017. But in the interests of transparency I attach a copy of the spreadsheet provided to DCMS. Parts of it are shaded to indicate that care needs to be taken in viewing some individual observations as significant because of very small sample sizes. In our advice we focus on the pattern shown by this data, which shows that a higher proportion of problem gamblers are found at higher staking levels.

I hope this is helpful. Please let me know if there is any further clarification I can provide.

Yours sincerely,

Sir Christopher Kelly
Chair
Responsible Gambling Strategy Board

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[5] RGSB advice document (Para 10, Page 3)
[6] Key issues in product-based harm minimisation. Examining theory, evidence and policy issues relevant in Great Britain. Jonathan Parker, Adrian Parke, Alex Blaszczynski, 2016