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# **Mission and Public Affairs Council**

# Why we believe Fixed-Odds Betting Terminals must have a maximum stake of £2.00

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# **Executive Summary**

The Church of England is committed to a £2 maximum stake for B2 machines (fixed-odds betting terminals). Church members up and down the country have experienced the harm

done in their own lives or that of their family, friends and neighbours by the current £100 possible stake, in the betting shops which have become concentrated in shopping streets, especially in areas of social and economic deprivation.

We list 10 main reasons why a reduction to £2 is needed. There is no such thing as a 'compromise' solution among the other options mentioned in the consultation document; even £20, though a significant drop from £100, would leave B2s as a cuckoo in the nest, with stakes and potential losses far above the normal run of high street machines.

The 10 reasons are: the harm done; the risks when a variety of stakes is available; the risks to decision-making ability; the risk to disadvantaged people in particular; the risks that easily accessible high-stakes machines present to problem gamblers; the impact on neighbourhoods; money laundering; violent crime; preserving the betting shop in its normal form; the comparison with other jurisdictions which have relatively low maximum stakes.

Four main objections have been brought against the £2 maximum stake. Firstly, a claimed lack of evidence to justify the £2 figure (the government being mindful of the possibility of judicial review). Secondly, the claim that risks in gambling arise from many factors of which stake size is only one. Thirdly, that economic harm and job losses would result. Fourthly, that customers would move to other categories of machine which might be more harmful than a £2 stake B2. We consider all of these objections below and find none of them convincing. Once the extraordinary anomaly of a high-stake machine in a high street is removed, it will be much more possible to survey to whole range of interlocking issues in terrestrial, not to mention online, gambling.

# Our reasons

It is generally agreed that £100 is far too much as the maximum stake for fixed-odds betting terminals in licensed betting offices. At the 2017 General Election the manifestos of the Labour, Lib Dem and UKIP parties contained pledges to reduce the maximum stake to £2, after the Church of England's General Synod had made the same demand. In August 2017 the Centre for Social Justice came out strongly for a £2 maximum.

#### The General Synod motion read:

'That this Synod, mindful of

- 1 (a) the destructive impact which accessible, high-stake machine gambling can have on families and whole communities and
  - 1 (b) the widespread public concern about the very large amounts being wagered at fixed odds betting terminals located in high street betting shops,

Welcome her Majesty's Government's review of the maximum stake for such terminals and call on Her Majesty's Government as a matter of urgency to bring forward proposals (i) for the amendment of existing legislation to reduce from £100 to £2 the maximum amount which may be wagered on a single game at such terminals and (ii) to grant local authorities the power to make provision about the number and location of such terminals in order to reduce the risk of harm to large numbers of vulnerable people.'

The Treasury has previously resisted proposals for reduction, so we hear, because of the fortune that comes to it from this part of the gambling industry. This is one of the many aspects of the gambling debate which resembles similar debates about tobacco and alcohol.

Not all of us are happy with the argument that we should encourage people to lose money in betting shops so that the country can balance its books.

#### The case for parity

Our case is simply that parity needs to be restored to the terrestrial betting market, by bringing B2 machines into line with other machines that are available in high street locations. From 2005 they have been allowed to distort the market, and the gross gambling yield from B2s has increased very greatly; it is 62% of the total yield of machines in all settings. Every other kind of betting machine in the high street machine has a maximum stake of £2, and the reason for that is simple; betting shops are the most accessible locations for terrestrial gambling<sup>1</sup> and there is, by design, a pyramid of safety: the higher the level of risk from a betting machine, the more checks and supervision are required in order to reduce the likelihood of harm resulting from those risks.

This argument for parity has been strongly challenged in very recent times. None of the challenges is effective. There are many reasons, other than intuitive fairness, to support it. It is important to note that the 10 reasons which follow are all reasons for a £2 maximum. A maximum of £20, say, would not in any of these 10 respects resolve the problems created for society and for individuals by high stakes in the high street.

# 1. The harm done by high stakes betting in high streets

The evidence of harm is incontrovertible. The General Synod heard that two-thirds of the calls to GamCare, the country's main problem gambling charity, were from bookmaker customers, with over half citing FOBTs as the root of their problem. The Bishop of St Albans has said: 'Since I began looking into this I've found myself inundated with people coming to me with terrible stories and I've realised what a tragedy it is.' General Synod members spoke in the debate of their first-hand experience of the harms suffered by those with a gambling problem. The accounts of harm are too numerous and consistent to be dismissed as merely 'anecdotal'.

# 2. The risks arising from stake variation

All machines provide rapid, continuous play, and that introduces risk of harm. But varying stakes adds to that. It means you can win often, sometimes large sums, and you can lose quickly. Research has shown that B2 machines make it hard for players to keep track of what's going on. They can get lost in a 'forest of wins', then they can think they're winning when they're losing. This often feeds into the damaging spiral of 'chasing losses'.

Responsible Gambling Trust research has shown that 'Problem gamblers tend to be more chaotic, that is using a higher number of distinct stake levels as well as levels that span larger ranges of values...'

<sup>&</sup>lt;sup>1</sup> Not only are they easy to step into, but there are more of them. There are 8,502 betting premises, 583 bingo premises, 146 casinos, and 1,750 licensed arcades. <a href="http://live-gamblecom.cloud.contensis.com/PDF/survey-data/Gambling-industry-statistics.pdf">http://live-gamblecom.cloud.contensis.com/PDF/survey-data/Gambling-industry-statistics.pdf</a>

In addition, FOBTs offer many different games, including casino-type games, and players easily get the illusion that they're exercising choice and skill. That mistake has been long recognised as a factor in a growing gambling habit.<sup>2</sup>

A reduction in maximum stake to £20, or more, would do nothing to address this problem. £20 is still massively out of proportion to the normal, up-to-£2 experience in betting shops.

# 3. The risk to reliable decision-making at higher stake levels (such as £20)

One of the GambleAware studies, which examined a small sample of adult non-problem gamblers found that an element in the player's ability to make accurate decisions (i.e., reflection impulsivity) deteriorated as the level of stake increased. In the experiment, subjects gambled at three disparate stake sizes (£20, £2 and no stake per bet). The researcher reported that 'Quality of decision-making i.e. the evaluation of available information to make probability judgements was impaired after gambling at higher stakes in comparison to lower stakes, indicating an increase in reflection impulsivity. No effect on response inhibition was observed. Although exploratory, this suggests that the opportunity for participants to substantially increase stake size on a gambling activity may be a risk factor for impaired cognitive performance when gambling, and perhaps create vulnerability for within-session loss-chasing in some players'. Note that the highest stake level in this experiment was £20.

This consideration, and the preceding one, have been given added weight by the recent work of the Money and Mental Health Policy Institute, focusing on five forms of problematic gambling during periods of poor mental health: impulsive gambling, risk-seeking gambling, goal-based gambling, intrinsically motivate gambling and loss-seeking gambling.<sup>4</sup>

#### 4. Disadvantaged people are especially at risk

In the gambling survey Aug 17, unemployed adults were more likely than any other group to play machines in bookmakers (7%, compared with 4% or less in other groups). 10.1% of unemployed people were at risk of problem gambling, by the PGSI<sup>5</sup> measure; 4.6% of those in work.

In the study sponsored by the Responsible Gambling Trust, problem gamblers had lower income levels than non-problem gamblers (31% had an income of less than £10,400 per year compared with 24% for non-problem gamblers).

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<sup>&</sup>lt;sup>2</sup> Similarly, a 2014 study by the Responsible Gambling Trust found that those gambling at higher stakes performed worse in subsequent decision-making tasks compared to those gambling at lower stakes. Those participating also reported experiencing higher levels of arousal when gambling at higher stakes in comparison to those gambling at lower stakes,

<sup>&</sup>lt;sup>3</sup> Understanding Within-Session Loss-Chasing: An Experimental Investigation of the Impact of Stake Size on Cognitive Control. Parke A, Harris A, Parke J, Goddard P. J Gambl Stud. 2016 Jun;32(2):721-35

<sup>&</sup>lt;sup>4</sup> 'Know the odds: the links between mental health problems and gambling, Money and Mental Health Policy Institute, London, November 2017, p1.

<sup>&</sup>lt;sup>5</sup> Problem Gambling Severity Index.

In a 2014 study in England, where all participants held a betting shop loyalty card, 42% of those with an income under £10,200 were playing FOBTs 2-3 times a week or more (11% every day or almost every day, 7% 4-5 days a week, 24% 2-3 days per week)<sup>6</sup>

In addition, the predictive model for problem gambling in this loyalty card sample found 'number of playing days' was the single most influential variable in the model.<sup>7</sup> The number of playing days is likely to be affected by the convenience of going to a betting shop, and the problem gambler's motivation to desist is more likely to be undermined when they are walking regularly past a betting shop.

When B1 stake size was increased from £2 to £5 (in casinos), the impacts were most notable on people of low income/disadvantage. The impact study said: "a disproportionate amount of the increase in B1 revenue may have derived from the young, from those living in deprived areas, from heavy players and from those playing late at night. All this suggests that the relative share of industry revenue derived from groups where harm is most concentrated has increased following the uplift in maximum stakes and prizes."

There is every reason to suppose that the converse would be true if B2 stakes were cut; the harm done to those already at a disadvantage in life would be reduced by a £2 maximum B2 stake.

# 5. High stakes on the high street are a problem for problem gamblers

In the 'loyalty card' study mentioned above, the average single bet of a problem gambler was £7.43, and they had an average of 2.2 sessions per day. The points above about accessibility apply especially to problem gamblers. This point rests chiefly on common sense, but there is some evidence. In the same study, when considering the 5<sup>th</sup> decile (where stake size will be in the region of £2.63 as the median), just over 70% of stakes were made by people who have some level of gambling risk (21% problem gamblers,18-19% medium risk, and 31% low risk).<sup>8</sup> Reducing the stake to £2 would therefore be expected to target risky or problem gamblers.

# 6. Our neighbourhoods would be better without high-stakes machines

That is the view of many local authorities. FOBTs are present in higher concentrations in poorer areas, where income levels are low. The Local Government Association formally responded to the consultation on stakes in December 2016. They said 'we are concerned that the profitability of B2 gaming machines has helped to drive betting shop clustering in some areas, with a detrimental impact on high streets and town centres.' The LGA has declared unambiguously in favour of a £2 maximum stake.<sup>9</sup>

<sup>&</sup>lt;sup>6</sup> *Identifying problem gambling – findings from a survey of loyalty card customers*, Wardle, H., Excell, D., Ireland, E., Ilic, N. & Sharman, S. 2014, p.38, table 3.18.

<sup>&</sup>lt;sup>7</sup> D.Excell, G. Bobashev, H. Wardle, D. Gonzalez-Ordonez, T. Whitehead, R.J. Morris & P. Ruddle, *Predicting problem gambling: An analysis of industry data* (London: Responsible Gambling Trust), 2014

<sup>&</sup>lt;sup>8</sup> It is not possible to be more precise about these figures, or to say what the percentages would be for a £2 stake exactly, because the data is presented in a way that does not reveal this information. (figures extracted from chart and median presented on page 103-4 of report 2)

<sup>&</sup>lt;sup>9</sup> The LGA also said 'there is credible evidence that these machines may be particularly addictive and linked to anti-social behaviour and crime in betting shops'.

Research under taken by Geofutures for the Responsible Gambling Trust and published in February 2015 confirmed that 'areas close to betting shops tend towards higher levels of crime events, resident deprivation, unemployment, and ethnic diversity...[and that] players overall tend to live in neighbourhoods with higher levels of resident unemployment, multiple deprivation and economic inactivity.'

Around the country, church members speak of the negative aspects of the impact of betting shops clustered in their high streets, and the fact that these are located in areas of deprivation. The consultation document incorrectly claims that local authorities have sufficient powers to restrict the numbers and location of betting shops; in fact, those powers have not been sufficient to enable communities to manage the risks of high intensity machines in anything like the way that their elected representatives believe to be necessary.

#### 7. Money laundering is still an issue

The criminal practicalities of money laundering require a reasonable volume of cash throughput. £20 a time will do it. One cannot see a person involved in a money laundering operation sitting in a betting shop staking £2 a time.

Many say that the issues of money laundering in betting shops have been dealt with. But in Merseyside, 12 crimes of money laundering were reported in 2017 where the location qualifier, in police records, is listed as 'betting shop'. All the figures in the rest of this and the following section relate to crimes reported where the location qualifier is 'betting shops', reported by police forces in response to Freedom of Information requests by the Church of England.

In Greater Manchester the figures for money laundering crimes report at or near betting shops fluctuate greatly; there were peaks of 39 in 2015 and 22 in the first 10 months of 2017. In the West Midlands, money laundering incidents with this location qualifier were in low single figures until 2016, when they were 29, then 24 in 2017.

#### 8. Crime in and around betting shops is still an issue

In the West Midlands, criminal damage incidents averaged 189 p.a. between 2012 and 2017, and in South Yorkshire 278. For West Yorkshire, in 2016 the number of arson and criminal damage offences (40) and violence against the person (22) were higher than in any of the preceding four years, each having shown a consistently rising trend since 2013, and the figures for the first 10 months of 2017 were similar to the 2016 rate. In Merseyside, criminal damage offences averaged 25 for 2012-2014 (in the 20s every year) but averaged 33 for 2015-6 (in the 30s every year). In London, monthly average for criminal damage alone in 2016 and the first 10months of 2017 was 77.36.; for violence against the person 29.05, for public order offences 37.27. in Greater Manchester, the average for violent offences between 2012 and 2017 was 171.5.

In Cambridgeshire, criminal damage crime rose from 7 in 2013 to 11 in Jan-Oct 2017. That is a rise of 83% in monthly average. In Derbyshire, violent offences (including criminal damage) averaged 32 p.a. in the six years from 2012to 2017, the highest figure being 42 in 2015. In Devon and Cornwall, the equivalent average was over 20 p.a., in Dorset 19.67, in Humberside 28.33, in Northumbria 31.5. In Northamptonshire, the average for the last six

years was 15.5 crimes of violence against the person or criminal damage; the highest figures being in 2016 and 2017.

In West Yorkshire in 2016 and the first four months of 2017 (the latest date for which figures were supplied) there was a monthly average of 3.125 crimes of arson or criminal damages where 'betting shop' was the location qualifier. The number of crimes of violence with the same location qualifier in the same period averaged 1.94 a month. In both cases the figures were substantially higher than in the preceding two years.

The following data were published by the Gambling Commission in 2017. They show that for the last two years in which figures were available at that time, there were 20,065 incidents at betting shops requiring police assistance. There was a total of 1152 in all other gabling settings put together - Adult Gaming Centres, Bingo, Casinos and Family Entertainment Centres. That is, 95.57% of incidents related to any kind of gambling premises where police had to be called out were at betting shops. No evidence has been produced that there was anything like this scale of police activity at betting shops before FOBTs were introduced. The relative patterns have been fairly consistent, though the figures have risen and fallen for each category with no absolute pattern for each, except that there seems to be evidence for a consistent reduction in call-outs to casinos.

The following table shows the number of incidents requiring Police assistance broken down by gambling sector and year end date. Please be aware that the data for 2016 may not be complete as the fourth quarter (October-December) has yet to be submitted by all operators.

Sector	End Date						
000101	2010	2011	2012	2013	2014	2015	2016
Adult Gaming Centre	481	358	236	264	301	419	346
Betting	11,506	9,368	8,387	7,443	11,235	8,830	6,845
Bingo	224	256	78	33	79	169	103
Casino	640	707	333	100	72	65	36
Family Entertainment Centre	65	48	37	36	26	21	20

# 9. A £2 maximum stake would preserve the traditional presence of this type of shop in the high street.

The consultation document, in its later sections on player protection and social responsibility, sets out a large number of possible ways of managing the risks of high-stakes machines in the high street. These include compulsory tracked play, so that no one can use cash, and so that no one can have any anonymity when using this high street facility. It is recognised generally that safe practice requires adequate staffing, better than prevails now. Warnings and alerts flash in the face of the user.

All this abnormality and surveillance is brought into one type of retail outlet on the high street – not others – for one reason only: high-stakes machines. The Church of England is not against gambling and it is not against betting shops. The industry sometimes paints a picture

of its outlets as community hubs<sup>10</sup>. For some, perhaps, bookmakers' shops were once like that.

Take out the B2s, restore the parity, and betting shops would perhaps have an opportunity to rediscover and reinterpret for this century the community role which they might have; places where risk is relatively modest and controlled, without the need for pervasive anxiety, surveillance and control.

#### 10. Other jurisdictions have something close to a £2 maximum

Especially in Australia, Canada and New Zealand, the general policy is to confine higher-stake machines to casinos, while stake sizes for more readily available Electronic Gaming Machines (EGMs) are low and roughly in alignment with the £2 stake that the UK uses for all non-casino machines other than FOBTs:

- In Canada, where Video Lottery Terminals had caused similar concerns to FOBTs, the VLT maximum stake is \$2.50 (currently less than £1.50) for VLT venues in six provinces. The most common maximum stake in other non-casino venues for other types of slots is \$5.
- In New Zealand the slot machine maximum stake is \$2.50 in non-casino locations (roughly £1.35)
- In Australia, the maximum bet size in 3 states is \$5 (£2.86 at today's exchange rate) or 10\$ in 4 states (£5.73).
- Within Europe, the maximum bet limits are 1 Dutch Krona in Holland, 2 Euros for non-casino machines in Finland, 0.2 euros in Germany, 2 Euros for non-casino locations in Greece, 300 kronor maximum in Iceland (roughly £2.10), 10 euros for VLTs in Italy.<sup>11</sup>

#### Challenges to the £2 maximum stake

# 1. Is there any evidence behind a £2 maximum stake?

The question is, whether there is relevant evidence for any aspect of this topic. Research into the impact of different maximum stake levels is very limited. That may be connected with the fact that research has, in this country, been funded very largely by voluntary contributions from the gambling industry. It is very welcome that in recent months the organisation GambleAware (formerly the Responsible Gambling Trust) has become markedly more independent; but this is a very recent development.

However, while there is evidence supporting a stake reduction to £2 to create parity, no evidence has been adduced to support a change to a maximum stake of £20 or more.

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<sup>&</sup>lt;sup>10</sup> See p. 14 below.

<sup>11</sup> http://gamingta.com/wp-content/uploads/2017/05/World Count 2016.pdf

Those who were involved in the original decision to set a stake limit of £100 agree that it was not based on logic or evidence. In 2001 FOBTs were still quite new and there was no legal control over them at all. They were spreading, and something had to be done. The government reached an agreement with the Association of British Bookmakers on a set of conditions – maximum stake of £100, maximum prize of £500, no more than four to a shop, etc. The basis was just that this was what the industry would accept at that time.

The evidence is overwhelming that real harm is being done, especially to problem gamblers and those at risk of problem gambling, by B2 machines. This is clear from information from treatment providers about those who present for treatment for gambling problems. And it is clear from the harrowing accounts of severe harm experienced by individuals and families.

There are grounds to believe that if relevant research had been carried out, the evidence base would look different. In 2004, not long after FOBTs emerged, a study was done observing patterns of play by 779 people in clubs and hotels. Some machines were modified to change particular variables: for example reducing maximum bet size, reducing reel spin and removing large note acceptors. A gambling screen was administered after play. 'It was concluded that the reduction of maximum bet levels was the only modification likely to be effective as a harm minimization strategy for problem gamblers.'<sup>12</sup>

In 2010 comprehensive review of the Australian Health Commission conducted a comprehensive review of machines. They proposed an even lower stake than those already in use in Australia, stating: 'There are strong grounds to reduce the maximum intensity of play per button push well below the current \$5 and \$10 regulated limits. A limit of \$1 would strongly target problem gamblers.'<sup>13</sup>

Relevant product-based research (as opposed to research on identifying problem gambling in order to respond to it) has been very rare in this country. That is the main reason for a lack of evidence in the present context.

#### 2. Is it legitimate to isolate stake level as a specific risk factor?

Some have suggested that to focus on stake alone is to ignore the subtle interplay between a variety of factors which may contribute to levels of risk. Those most often mentioned are spin speed and return to player. Thus, for example, B2s have a slower spin speed than some other machines including B3s, and a higher return to player, at 97%, than many gambling products. These factors have been added especially in comparing B2 to B3 machines (see below)

A difficulty here is that, once the whole range of factors is laid out, the task becomes unwieldy. A recent study has listed the following additional relevant factors:

Event frequency, multigame/ stake opportunities, prize-back ratio, light and sound effects, variable stake size, availability, jackpot, cashout interval, near miss, continuity of play and the autoplay function.

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<sup>&</sup>lt;sup>12</sup> Sharpe L<sup>1</sup>, Walker M, Coughlan MJ, Enersen K, Blaszczynski A. Structural changes to electronic gaming machines as effective harm minimization strategies for non-problem and problem gamblers. J Gambl Stud. 2005 Winter;21(4):503-20.

<sup>&</sup>lt;sup>13</sup> Productivity Commission 2010, Gambling, Report no. 50, Canberra.

It seems likely to researchers that these elements can act in different ways depending on how they appear in conjunction with others. Current research explores ways to compute risk ratings for individual types of machines based on measurement and aggregation of all these risk factors. However, the complexity of this kind of analysis, let alone of formulating any practical policy on the strength of it, suggests that we are a long way from a set of reachdown solutions that balance all factors equally.

Does this mean that we should not touch any part of these complex systems until we can reach a total understanding of them? The corollary would be complete inaction for an indefinite period. But too much harm is manifestly happening for such inaction to be sustainable. We have seen inaction before. The 2013 triennial review of stakes and prizes made no changes to B2s on the ground that there was no sufficient evidence.

#### 3. Would economic damage and job losses result from a £2 maximum stake?

The industry has made much of the job losses which might result from a reduction to £2. The argument seems to be this: 'Betting shops are being kept economically viable by the B2 machines which now account for over half of their turnover. Remove the anomalous level of B2 stakes, and they will have to close.' Imagine if corner shops were to make more than half their profits from alcohol drinks, and the alcohol industry argued, say, for tax advantages just to keep the shops in business. That would hardly be convincing, in terms of the dynamic and volatile nature of the retail employment market. There is a strong argument for saying that local authorities are good judges of this type of issue.

Similarly, the Impact Assessment (IA) which was published with the government's consultation document was difficult to assess, for a number of reasons. Firstly, the data on which it was based have not been published. We understand that the data were supplied by the gambling industry and that the government is not at liberty to publish them, which makes scrutiny of the figures and calculations impossible. Secondly, the economic modeling on which the calculations are based is not described, removing another aspect of scope for reasoned assessment of the figures. The Centre for Economic and Business Research has very recently published a report which identifies the weaknesses in the IA<sup>14</sup>. It also sets out a number of scenarios which it says are at least as plausible or more plausible than the assumptions on which the IA was based, under each of which the losses in gross gambling yield for licensed betting offices would be substantially lower, in some cases very much lower than those estimated in the IA.

Even more significant than the effect on GGY are the impacts on the macro economy, measured by calculating gross value added (GVA) contribution to GDP. CEBR reports that looking at GVA 'paints a different picture to that represented by the rather narrow focus on

<sup>&</sup>lt;sup>14</sup> 'Cebr has undertaken economic modelling that seeks to build on and supplement the existing evidence and data to provide a fresh perspective. Cebr does not believe that the IA released by DCMS to accompany the consultation document provides an adequate treatment of the potential impacts of reducing the maximum stakes on B2 machines. Neither do we think it adequately considers the range of possible outcomes that could be realised under different but equally plausible assumptions about the behavioural responses of gamblers to different reductions in maximum stakes. Another weakness of the IA is the absence of any attempt to attach monetary value to the social harms that can be linked to problem gambling on B2 gaming machines and that could be reduced as a result of a maximum stake reduction.' CEBR, *Assessing the potential impacts of maximum stake reduction on B2 gaming machines*, January 2018, p.5.

losses in GGY to the operators of B2 machines. While a £2 maximum stake is expected to result in the largest net losses in GGY to LBOs, it also yields the largest net positive impact on the economy'. This arises from 'the fact that, in the sectors that would likely gain from attrition from gambling, one pound of revenue generates more GVA than is observed in the gambling sector (per £ of GGY)'. The report concedes that the range of differences in impact between possible reduced stake levels is not likely to be significant in statistical terms.

The complexity of the CEBR analysis, combined with the hypothetical elements forced on it by the lack of data, make it difficult to derive clear headlines from it. But the overall point is clear: there is no clear evidence of economic damage, or large net drops in employment, from reducing the maximum stake to £2.

#### 4. Would customers just move from B2 to B3 content if stakes were cut?

We summarise below (Question 3) the research into B3 content carried out by Dr Jonathan Parke. He concludes that if B2 maximum stake were reduced to £2, the potential losses on B3 machine would exceed those on B2s, and as a result customers might switch from B2 to B3, which have a fair spin speed and so could be even more problematic.

This analysis by Parke is valuable. However, it deals mainly in abstractions and probabilities rather than in actual data. It seems certain that the actual losses currently being incurred by those using B3 terminals, although rising quite quickly, are still far less than losses on B2 machines. Return to player is a significant factor, but the percentage returned is calculated over a huge arc of 10,000 or 100,000 games (according to the type of machine, random or compensated). The player experience is not of a consistent pattern of return, so that the existence of a 97% return to player at the macro level does not necessarily determine the experience of the individual player.

Our view is that reducing the B2 maximum to £2 is the current priority. When that is done, and the extraordinary B2 anomaly thus removed, a new landscape will emerge; it can then be seen, in view of the actual impact of B2 stake reduction, what measures need to be taken in respect of, for example, B3 content.

The Mission & Public Affairs Council of the Church of England is the body responsible for overseeing research and comment on social and political issues on behalf of the Church. The Council comprises a representative group of bishops, clergy and lay people with interest and expertise in the relevant areas, and reports to the General Synod through the Archbishops' Council.