



Northern Ireland
Assembly

Committee for Communities

OFFICIAL REPORT (Hansard)

Betting, Gaming, Lotteries and
Amusements (Amendment) Bill:
All-party Group on Reducing
Harm Related to Gambling

16 December 2021

The Bill includes a number of clauses on which the APG would like to take a position. We welcome the clauses dealing with the creation of new offences of inviting a person under 18 to play a gaming machine. There is statistical evidence from the GB Gambling Commission to show that children can and do access gaming machines that they should not have access to. There were also some worrying statistics in the gambling prevalence survey that show that age restrictions and ID requirements are not always enforced as strictly as they should be. Those are obviously GB statistics, not Northern Ireland statistics, but it is reasonable to think that they are relevant.

We welcome the creation of a new power to impose an industry levy. The creation of a levy is an important step towards taking a public health approach to gambling. It will allow for the funding of research, education and treatment services that are totally independent of industry, and that is a very important consideration. We encourage the Minister and her successor to introduce a statutory levy on online gambling as soon as is practically possible, however.

The creation of new powers to issue mandatory codes of practice is another important step. As long as compliance with the codes is a licensing condition, which we believe it will be, they offer a flexible and responsive approach to regulating land-based gambling operators. We would, however, welcome more clarity on the proposed contents of the codes and how they will be enforced.

We would also like to raise the point that we are aware of concerns about opening hours in licensed betting shops and bingo halls. They did not form part of the scope of our inquiry, but, as I said, we are aware of the concerns. When it came before the Committee earlier this week, the Institute of Public Health (IPH) shared its concerns that the extension of opening hours may lead to an associated increase in gambling harm.

We have more general concerns about the enforcement of the Bill's provisions. In our report, we have called for the creation of a regulator to enforce gambling legislation, including the codes of conduct. That is an important step. We encourage the Committee to consider whether a power to create such a regulator could be included in the Bill. Although the provisions are helpful, it is fair to say that we have some general concerns about how some of them will be enforced.

Beyond that, it is important to stress that a much greater range of measures is urgently needed to address the significant issue of gambling harm in Northern Ireland. Our report, which we have shared with the Committee, contains a full list of our recommendations, and I encourage the Committee to consider them. We feel that a few of them could be included in the codes of conduct. Those include the banning of VIP schemes, free bets and other potentially misleading forms of promotion; mandating operators to be part of a multi-venue self-exclusion scheme; and placing controls on gaming machines, such as stake limits and controls on frequency of play.

I hope that that is brief enough. I know that the Committee is under time pressures. I am happy to take any questions that you have.

The Deputy Chairperson (Ms Armstrong): Jack, thank you very much. You have just made our time pressures less pressurised now. Thank you so much for that. That is not to say, however, that we will not ask you a number of questions. I will start off, and then I will ask the members who are on StarLeaf and Paul, who is here in person, whether they have any questions. I cannot see the other members' names down the side of the screen, so I ask that members raise their hand.

The Committee Clerk: I can do that.

The Deputy Chairperson (Ms Armstrong): Can you change that? Thank you. It is just so that we can bring them in.

I will start off anyway, Jack. Your paper states that you welcome the creation of the new offence of inviting a person who is under 18 to play a gaming machine but that you believe that more information is needed on how that new offence will be enforced. How would you like to see it be enforced?

Mr Gibson: In our report, we have called for the creation of a regulator. We think that that is an important step. I suppose that the issue is that, ultimately, unless there are powers of inspection and greater efforts taken to confirm that the legislative provisions are being complied with, it will be difficult to be sure that they are. Having a regulator with the power to inspect gambling operators would be a really important step in giving people assurance that the rules are being enforced. Concerns have been raised about the enforcement of gambling legislation. For example, I know that, when the

Northern Ireland Turf Guardians' Association (NITGA) presented to you a few weeks ago, it raised its concerns about casinos. Similarly, through the APG, we have heard concerns about so-called fixed odds betting terminals (FOBTs), which are in operation in betting shops, bingo halls and other places around Northern Ireland and offer greater levels of stakes and prizes than are allowed for under the relevant legislation. We feel that there is a sense in the industry and among campaigners on gambling harm that a more active approach to enforcing gambling legislation is needed.

The Deputy Chairperson (Ms Armstrong): OK. Thank you. On the creation of a regulator, your paper states that you:

"encourage the Minister and her Department to take what steps are possible within the time constraints of this mandate towards the establishment of a new gambling regulator".

Is it possible to consider that in the Bill? Could the Bill in any way put down a marker in that regard?

Mr Gibson: In the sense of the industry levy, the Bill is already putting down a marker for the next Minister. It creates the power to do that. In our submission, what we are getting at is that it may be worth considering a similar power to create a regulatory body — not necessarily to create a regulator itself but to put in place the power to do so — thereby putting down a marker and an indication of the direction of travel. That could have a value, and it might be more achievable within the timescale.

The Deputy Chairperson (Ms Armstrong): Are you looking for the Committee to consider an amendment to the Bill that, for instance, asks the Department or the Minister to review and bring forward a report on that within x number of months?

Mr Gibson: Yes. That would be welcome.

The Deputy Chairperson (Ms Armstrong): Your paper encourages:

"the Department to consider rendering the levy a 'Smart Levy' on the polluter pays principle, whereby higher levy rates are charged against industry sectors associated with higher levels of gambling-related harm."

We also heard evidence for having a tiered levy, with more being paid by larger, multinational operators, as opposed to the small, independent bookmakers. What is your feeling on the best way forward on that?

Mr Gibson: Our position is set out in our report. We call specifically for a smart levy approach. That approach has been adopted in some other jurisdictions, notably New Zealand. The reason that we call for that specifically is because our focus is on gambling harm, and, by adopting a smart levy approach, you are directly linking the level of payments made to the harm that is associated with that form of gambling. It is effectively an incentive for operators to operate in such a way that causes less harm. That is the rationale behind our position. To answer your question directly, that is the position that we hold and the type of levy for which we are calling.

The Deputy Chairperson (Ms Armstrong): I have a final question before I bring in other members. Sorry, Paul, were you indicating that you want to come in?

Mr Frew: I was indicating that I will come in after you.

The Deputy Chairperson (Ms Armstrong): When it comes to codes of practice, you state that you would:

"welcome more clarity on precisely what is proposed for inclusion within the codes".

What would you like to see included in the codes? We have had witness sessions in which others have provided their suggestions about what they would put forward for codes. What would the all-party group like us to consider?

Mr Gibson: A number of considerations that are drawn from our report could be appropriate for inclusion in the codes. For instance, a good chunk of our report looks at the issue of affordability. One

of the affordability measures that we recommended was a monthly, soft cap on gambling losses at £100. That would mean that, if you want to bet more than £100 in a month, you will need to prove that you can afford to lose it. The advantage of that approach is that it would not affect the vast majority of gamblers, who do not lose anything like that amount, but it would put a barrier in place for those people who are experiencing some kind of addiction or who are struggling to control their gambling outgoings.

Similarly, our paper states:

"Banning of VIP Schemes, Free Bets and other potentially misleading forms of promotion".

It also mentions:

"Mandating operators to be part of a multi-venue self-exclusion scheme".

We heard from the Northern Ireland Turf Guardians' Association that a number of operators are doing that, but, again, we call for that to be formalised. The code of conduct may be an appropriate vehicle by which to do that. Similarly, the Minister said that controls on gaming machines and so-called FOBTs are one of the things that she might look at as part of this. We suggest things such as restrictions on stakes, prizes and also the speed of play, which is a really important consideration for gaming machines. You can have quite low stakes, but, if your speed of play is very high, you can still facilitate quite rapid losses of large amounts of money. It may also be worth looking at specific controls, such as warning labels and on-screen messages on gaming machines. Again, the Northern Ireland Turf Guardians' Association talked about the fact that warning labels, on-screen messages and spend controls are provided as part of those machines. Through our inquiry, we heard evidence that there are more and less effective ways of achieving that. There are more and less effective ways of providing warning messages or of restricting how much people spend on those machines. By formalising it through codes of practice, you can ensure that the more effective means are taken. Those are a few of our suggestions.

The Deputy Chairperson (Ms Armstrong): Thank you very much, Jack. Before I bring in Paul, I just want to say to others joining us via StarLeaf that, if you want to come in, you should digitally raise your hand.

Mr Frew: Thank you, Jack, for your presentation and your answers so far. I will stay on the theme of gaming machines and speed of play. How would that be monitored or enforced?

Mr Gibson: On enforcement, we will be calling for the establishment of a regulator. That having been said, there is not much by way of an established inspection regime at the minute. Having a regulator with the power to provide those sorts of inspections would be valuable. The value of having it in a code of conduct is that, at least, if a breach is proven, that is a potential threat to the licensing condition for the operator. There is therefore a value to it, even if our preferred approach to enforcing it is not in place from the get-go.

Mr Frew: From looking at problem gamblers and addictive gambling, I think that the obvious thing to do — we have all cited it here — is, first, to bring in a ban on using credit cards. I assume that you accept that, although most bookies do not accept credit cards.

Mr Gibson: It is one of the things that we called for in our report.

Mr Frew: A natural step would then be to put some sort of spending limit on a debit card. As I meditate on this, I come to the conclusion that, if you put a spending cap on a debit card, you could be dispersing the problem to every single bookmaker in that town. Is it not better to keep the problem gambler in the one place, where an eye can be kept on him or her? What is your view on that?

Mr Gibson: Through our inquiry, we heard from a number of gambling harm campaigners and from people who have been affected by gambling. I have concerns around the efficacy of doing that. Although the gambling operators talk about the fact that their staff are trained to recognise symptoms of problem gambling, there are concerns around how effectively that is put into practice. On having a restriction on debit cards, I think that you are absolutely right that controls on spending are difficult to justify unless the gambler is followed from premises to premises. Another one of our recommendations is that we are calling for something akin to a membership card. We refer to it as an "affordability card",

but it would effectively be a membership card that could be used across the different gambling operators, betting shops or whatever. It would mean that the cost controls followed the gambler from location to location. That is more challenging. You can immediately see that that is a more challenging step. It may well be too challenging for this Assembly mandate, but that is what we are calling for. Rather than the controls being imposed on a debit card, the gambler, when they go from one premises to another, would, effectively, have to sign in. So, any cost controls that are put on their spending would follow them from premises to premises. In the fullness of time, we hope that that can also be applied to online operators.

Mr Frew: Would that be a voluntary card scheme, or could you mandate it?

Mr Gibson: If you had such a scheme in place, you could make participation a condition in the code of practice. Again, I would have thought that the responsible operators would approach that voluntarily, but, equally, as part of our call for problem gambling to be seen as a public health issue, rather than relying on the changes being made voluntarily, we are calling for them to be formalised in regulation or legislation. So, we call for it to be made mandatory in some way, and the code of practice may be an appropriate vehicle for that.

Mr Frew: Thank you. I want to bring you on to the commissioner or regulator. You talk about a smart levy, which I am really interested in: I am intrigued and want to find out more about it. You cited the New Zealand example, and you are not the first to have done so. I am really keen to see information on how New Zealand does that.

However, it strikes me that, before anything will be effective, you need sound and accurate data. I do not know that we have such data. The natural course of events suggests that we need some sort of amendment to mandate the collection of data. Collection of data would be something that bookmakers would have to do alongside either a Department or a commissioner or regulator. How do we get that data?

Mr Gibson: I completely agree with you on the lack of data. That is a shortcoming, but not in Northern Ireland. Information on gambling is not brilliant throughout these islands, but it is particularly bad in Northern Ireland. As I said, we have a particular problem with gambling harm, which makes the issue with data all the more acute.

We see the regulator as having a role in collecting that data. It should be a condition of the operator's licence that they provide data to the regulator as the regulator sees fit. As happens in GB, the data should be collated and presented by the regulator. I do not know whether that answers your question. I am not entirely sure precisely what mechanisms you would use, but we see the regulator as being a crucial point for bringing that data together.

Mr Frew: I get that. It was a pretty broad question. I have one more question for you. If you did have data, what formula would use to produce your smart levy? You say that you would use the "polluter pays" principle, and others talk about player expenditure playing into that formula. What are the most important ingredients in the formula, and how will it work?

Mr Gibson: The most important ingredient in the formula is the rates of gambling harm associated with specific sectors or products. Expenditure is important, but it should not be the focus. As you can see from the very title of our group, the focus is on the rates of harm produced. We are coming back to the data issue in the sense that that requires a degree of joined-up working involving, for instance, the Department of Health in providing treatment services. Those treatment services, incidentally, still need to be created: there are no specialist gambling treatment services in Northern Ireland, which is another thing we are calling for.

From the data that is collected in GB, you are able to see who is presenting to NHS problem gambling clinics and what products or sectors they use. Because they have that degree of joined-up working between the Gambling Commission and the NHS problem gambling clinics, you are able to see which products or sectors are causing greater levels of harm. That is not a perfect measure, but it gives you an indication of where the problems lie.

Mr Frew: OK, thank you very much.

The Deputy Chairperson (Ms Armstrong): I come from a transport background, and how you manage to measure and regulate is based on the internal workings of a machine. I am thinking of a

gaming machine. A lorry has a tachograph. This is a technical question, so you may not know the answer, but is there anything in gaming machines that records the pattern of gambling, how much is being spent and the time it was spent at and the frequency or speed of gambling?

Mr Gibson: That is quite a technical question. I am not sure to what extent that information is recorded, but it is monitored because those machines have software that looks for patterns that are associated with problem gambling. They monitor play and patterns in play.

To take your question one step further, however, it is possible to monitor that quite effectively. It is done in New Zealand: every gaming machine there is hooked up to a central database that collects precisely the sorts of statistics that you mentioned. As a result, you are able to get a far richer picture of how the machines are being used and where potential problems may lie.

The Deputy Chairperson (Ms Armstrong): That is interesting. If a regulator is created here, depending on the powers that they have, we might get some of that evidence. I was reading your paper, and, my goodness, the number of people who are at harm from those gaming machines is incredible.

Mr Durkan: Thanks to Jack for the presentation. I will follow on from the Chair's point about the monitoring of machines, how much they are used, how much they are taking in and how much less, maybe, they are paying out. Jack spoke of concerns about under-18s being invited to, or being able to, access gambling machines on any platform. It will be easier to monitor machines that are in licensed betting establishments be they betting shops or gaming centres. However, when you have machines cropping up in takeaways and bars — many, if not most, bars have them — it will be hard to monitor their exact usage. In an earlier evidence session, I cannot recall who with, we were told that we do not even know how many machines there are or where they are. Do you have any thoughts on that?

Mr Gibson: Absolutely. Those are valid concerns. We do not have a clear picture of how many of those machines are in operation in Northern Ireland, we do not know how many of them are working to specific stake or prize limit and we do not know the frequency of play that they permit.

You talked about the issue of machines being in takeaways and pubs. Again, because of the light-touch approach to enforcement and regulation that has been taken, it is very difficult to get a clear picture of that. As you said, anecdotally, there is evidence that there are machines in places where they should not be. I stress that we see a regulator as potentially being able to help with that if it is given the appropriate powers to inspect and to enforce the regulations and legislation that are in place. As I have said a couple of times, whether through monitoring how machines are operating and what types of promotions operators are offering or through identifying where there are specific machines operating in circumstances that they really should not be, there is a need for a more active approach to enforcing the regulations that exist, in addition to having modernised and strengthened regulations and legislation.

Mr Durkan: Thank you. I want to build on a query that Paul raised about your ideas or proposals for the soft cap or the cost-control measures to at least mitigate or control the damage that people can do to themselves, their families and others through gambling. You said that it would be very challenging to get that done in this mandate. I think that it will be challenging for evermore, amen, and some of that was fleshed out in the back and forth between you and Paul. Do you envisage people having to produce something almost like a gambling passport on entry to any gambling premises?

Mr Gibson: You have used very current phraseology there.

Mr Durkan: I am wondering what Paul thinks. Would he support that or not?

The Deputy Chairperson (Ms Armstrong): He has just stepped out of the room, Mark, so we will not find out.

Mr Durkan: There would be serious questions raised. It is certainly a noble aim and one that I would be supportive of, but, in practice, I can see it being nigh on impossible to do.

Mr Gibson: It would obviously raise challenges. It is not necessarily about having a passport. The affordability card scheme could be voluntary or mandatory — the idea has not been fleshed out

entirely — but having some mechanism by which affordability measures can follow the punter from gambling premises to gambling premises, or from gambling service to gambling service, is a really important step if we are to make the affordability measures work.

Mr Durkan: I appreciate that the idea is still fairly embryonic, but there are issues with putting a limit on the losses that someone could incur and basing it on affordability. For example, if someone won £1,000 on a bet, could they afford to gamble all that £1,000? When does the £100 limit start? Does it start from the first day the month?

Mr Gibson: The limit would not be on winnings; it would be focused on losses. If the gambler has won £1,000, they can afford to play with that, but the limit itself would need to be placed on the balance of their payments over a month or whatever period is decided on.

Mr Durkan: I defer to your superior knowledge on this, but, in my experience, the most dangerous thing that can happen to someone early in a gambling career is to win big. If they won £1,000 and could afford to play with that, they are still potentially gambling away £1,000. That is another difficulty. That is one that we will come to. It is not in this Bill, but, sorry, you brought it up. Like I say, it is a noble aim, but, practically, it would be difficult to do. However, we should not be discouraged from exploring it further. I am definitely supportive of the "polluter pays" principle. One of the issues that I have with the Bill is with where the levy will be applied. Look at the percentage of the pollution that betting shops, arcades and so on here cause compared with the online market, yet we cannot put a levy on the latter and appear to be unable or unwilling to even try to do so. I see an unfairness in that. What is your view on that? You said that there is an incremental improvement and that we should maybe take whatever steps we can take now, but did you think that that was very fair?

Mr Gibson: There is evidence to show that online gambling is where a substantial portion of the harm is, so it is absolutely right that we should be working towards a levy on all gambling operators, including the online operators. However, as we have said, we still support the imposition of a levy, as outlined in the Bill, on land-based operators. That will be an important step, and, as the Committee has heard in previous sessions, donations are already being made by the gambling operators here.

The Bill's provisions would bring us into a more modern and appropriate state of affairs where the level of that donation is set centrally and where we can remove any perceived or actual conflict of interest with the recipients of the funding and the services that they provide. That is a really important principle, and it is vital that the research, education and treatment that is funded by the levy is demonstrably independent from the industry. While I do take your point about fairness, that is part of the reason why we still think that this is an important and good step to take at this point.

Mr Durkan: While some businesses are making those donations, I doubt very much that all of them are, even those that this levy could and should be applied to.

Following a recent meeting, a point came to me about the role that scratch cards and the National Lottery play in problem gambling and the harm that it can cause. We will all be aware of some of the brilliant, tremendous and worthy causes that the National Lottery has funded, but do we know how much of that money goes to addressing harm that is caused by gambling?

Mr Gibson: I am not sure. I do not have the figures off the top of my head. I believe that there is a contribution, but I am not sure of the level.

Mr Durkan: On the issue of problem gambling being looked at through the public health prism, which it certainly should be, public health measures that have been introduced on cigarette packaging and the locking away of cigarettes so that they are out of the view of people who go into a shop. Similarly, some places have taken soft drinks and unhealthy snacks away from checkout areas. Do you have a view on the, I suppose, blatant display of National Lottery scratch cards at checkout areas, which people buy on impulse? I hate to generalise, but the people who are buying them are often those who can least afford to do so. People who are in to top up their electricity or their gas see them and say, "Oh, and give us one of those £5 scratch cards that tells me that I can win £20,000 a month for two years".

Mr Gibson: That did not come up during our inquiry, and it is not something that we have taken a major position on. We did, however, look at exposure to those avenues for gambling in some detail

during the course of our inquiry. I am sure that you will hear more about that in your evidence session with the witnesses from Gambling with Lives.

A lot of work needs to be done to reduce overall exposure to gambling advertising and to opportunities to gamble. Some of the recommendations in our report dealt with the need to reduce the amount of exposure and airtime that gambling advertising get. There is a similar issue, which is almost certainly outwith the bounds of the Bill, with things like loot boxes and other opportunities to gamble in video games played by kids. A great deal of work should be done on the exposure that people have to gambling, because that certainly plays a part in their behaviour and in the likelihood that they will suffer harm.

The Deputy Chairperson (Ms Armstrong): OK?

Mr Durkan: Yes, I suppose so. That is fine, Chair. I will save some questions for the next witnesses.

The Deputy Chairperson (Ms Armstrong): Thank you very much, Jack. No other members have indicated that they want to ask a question. Thank you very much for your paper and for the report that we all received, which give us a lot to consider on what will happen with the Bill and what will happen in the future. For now, Jack, thank you very much to you and the members of the whole all-party group, some of whom, as you said, sit on the Committee. I wish you all a happy Christmas. Thank you so much. We may come back to you if we require any further information. Thank you very much, Jack.

Mr Gibson: I am happy to provide any information that I can. Thank you very much for the opportunity.

The Deputy Chairperson (Ms Armstrong): Thank you.