

NORTHERN IRELAND ASSEMBLY ALL PARTY GROUP ON REDUCING HARM RELATED TO GAMBLING

Response to Commons Culture, Media and Sport Committee Follow-Up
Call for Evidence on the UK Government's White Paper on Gambling
Regulation *'High Stakes: Gambling Reform for the Digital Age'*

July 2023

Introduction

The Northern Ireland Assembly All Party Group on Reducing Harm Related to Gambling welcomes the opportunity to submit a follow-up response to the House of Commons DCMS Committee inquiry on the UK Government's White Paper.

The [All Party Group \(APG\) on Reducing Harm Related to Gambling](#) was established to address issues associated with gambling harm in our communities. All Party Groups provide a forum in which MLAs and outside organisations and individuals can meet to discuss shared interests in a particular cause or subject. The content of this submission is informed in part by two inquiries the APG has completed: the first on the [Future Regulation of Gambling in Northern Ireland](#), and the second on [Gaming Machines in Northern Ireland](#). The APG is currently undertaking an inquiry on [Public Health Approaches to Tackling Gambling Harm](#), which is due to conclude at the end of this year. [Chambré](#) is the Group Secretariat, and Secretariat support is funded by Derek Webb.

Gambling regulation is a devolved matter in Northern Ireland, where it falls under [The Betting, Gaming, Lotteries and Amusements \(Northern Ireland\) Order 1985](#) and [The Betting, Gaming, Lotteries and Amusements \(Amendment\) Act 2022](#). As such, The UK Government's White Paper on Gambling Regulation '[High Stakes: Gambling Reform for the Digital Age](#)' will not cover regulation here (apart from the issue of certain forms of advertising and promotion of gambling, which is a reserved matter). Nevertheless, reforms in Great Britain are likely to impact on the next phase of gambling regulation here. This phase will involve a more comprehensive overhaul of Northern Ireland's gambling laws, including a complete new regulatory framework that will, for the first time, encompass online gambling. It is anticipated that the necessary legislation will not be enacted in this mandate, which runs to 2027, given the scale and complexity of the task, and the continued absence of an Executive and functioning Assembly here.

The last Gambling Prevalence Survey undertaken between the Northern Ireland Statistics and Research Agency (NISRA) and the Department for Communities was done in 2016, and identified 2.3 per cent of the population as having a gambling problem.¹ While this likely underestimates the number of problem gamblers here,ⁱ it is still more than four times higher than that recorded in Britain and almost three times higher than in the Republic of Ireland.²

What are the most welcome proposals in the Gambling White Paper?

From the perspective of the Stormont APG, the most welcome proposals in the Gambling White Paper are as follows:

ⁱ This 2.3 per cent refers only to those classified as problem gamblers within a single year and ignores the reality that gamblers move in and out of gambling harm, meaning the longitudinal incidence of gambling harm is of course higher. A more accurate model would count the number of people who experience gambling harm at some time in their lifetime.

Online stake limits

Online gambling is currently unregulated in Northern Ireland, and has grown sharply in recent years, making it easier to access than ever before. The most recent survey³ found that 15.8 per cent of those in Northern Ireland that gambled in the last year did so online, compared with 6.7 per cent in 2010.^v Users are able to access GB-based online operators without impediment, and proposals in the White Paper pertaining to online gambling will have a strong impact on people here.

In its inquiry on gaming machines,⁴ the APG received written evidence that suggests a strong link between high stakes and poor probability judgements when compared with lower stakes,⁵ and subsequently that stake limits can help mitigate gambling harm. Prize limits have also been shown to result in more responsible gambling practices.⁶

The UK Government has now proposed that stake limits for online slots be introduced, with an upcoming consultation in the summer of 2023 on a limit of between £2 and £15 per stake. The APG welcomes this move, and would strongly support a limit of £2 on online slots (if not lower).

Game Design

There is a proposal to review online game speeds and remove features from game designs which increase risk. The APG understands that a consultation on the issue is planned for some time this year, and would support measures to remove the following game designs:

- “Near miss” design: There is evidence to suggest that near misses can cause users’ brains to release almost as much dopamine to reward the player as a win, especially among addicts.⁷ The APG received evidence showing that users generally consider near misses to be “closer to a win than a loss”, despite being a loss. Near misses have been found to lead to play persistence in gamblers and have been shown to produce several physiological effects that suggest brain circuitry reward.⁸

- “Losses disguised as wins” (LDWs): This technique has a potent psychological effect on users, as it taps into their brain’s reward circuitry and contributes to the “cognitive dissonance” where users may know that they are losing but are unable to stop playing. The evidence received by the APG suggests that LDWs are strongly associated with harmful, continuous play, particularly for problem gamblers.⁹

Both near misses and LDWs were raised to the APG’s previous inquiry as warranting some form of regulation, as they combine to produce the potent experience which prolongs play in problem gamblers. LDWs cause users to overestimate how much they are winning (or if they’re winning at all) and near misses motivate continued play.¹⁰ These features should be banned or limited to the greatest possible extent for online gambling products.

Regarding spin speeds, the minimum play speed for electronic games machines (EGMs) slots permitted by the Gambling Commission is 2.5 seconds between spins. This quick and near-continuous play is associated with a more “potent” experience, in which users may forget about the external world while betting large amounts of money. Studies that have examined spin speeds have shown that faster speeds are associated with an increased risk of excessive gambling.¹¹

The spins speeds for traditional slot machines are around 6 seconds between spins.¹² It is therefore reasonable to suggest that gambling operators should be mandated to reduce spin speeds on EGMs to at least every 6 seconds.

While land-based gaming machines (EGMs and traditional slots) are subject to existing gambling laws in Northern Ireland, remote gambling is unregulated there and is unlikely to be subject to regulation for some years to come as described above. We look therefore to the reform of remote gambling regulations in GB. This must recognise that online slots, which can be accessed anywhere and anytime, are twice as harmful as EGMs and require a reduction in spin speeds to at least 12 seconds between spins.

As the APG recommended in its 2021 report: so far as possible, parity at the very least is required between the regulation of remote and non-remote gambling where current measures, such as stake-limits and speed of play, often vary greatly. Policy which aims to prevent and reduce harm must recognise that online sites allow consumers to bet at a faster speed for an indefinite amount of time and regulate accordingly.

Are there any significant gaps in the Government's reforms?

Advertising and young people in Northern Ireland

We believe that the UK Government should take action to protect children and young people in Northern Ireland from gambling advertising. Whereas print advertising of gambling products falls under the 1985 Order¹³, online and broadcast advertising are reserved matters. Nevertheless, these forms of gambling advertising impact on citizens in Northern Ireland heavily. In particular, children are vulnerable to the proliferation of gambling advertising through the likes of Premiership football. The UK Government has a duty of care to young people in Northern Ireland in this regard, and should specifically address the issue of gambling advertising and promotion to citizens in Northern Ireland.

It is often proffered that online gambling in Northern Ireland is regulated by the GB Gambling Commission, given that the UK's [Gambling \(Licensing and Advertising\) Act 2014](#) states that it is an offence to *advertise* remote gambling in Northern Ireland unless the operator holds a remote operating licence from the GB Gambling Commission¹⁴. However, this does not mean that consumers here fall under the remit or protection of the GB Commission which does not cover Northern Ireland, where gambling is a devolved issue.

The APG recommends the following regarding current White Paper proposals to regulate gambling promotion, advertising, to protect Northern Ireland consumers:

- *A review of the design and targeting of incentives to ensure they are promoted in a socially responsible manner* - As the APG has previously recommended, there should be a ban on VIP schemes (e.g., bonuses, “free bets”, “free spins”) which evidence suggests are used to entice vulnerable individuals to continue gambling beyond their means.
- *A review of safer gambling messaging* - The APG recommends that gambling be treated as a public health issue such as obesity, smoking or alcohol, and that therefore the messaging around it should reflect this. Public messaging needs to be clear and accessible, heightening awareness about harm and clearly signposting.
- *Sponsorship* - Premier League football clubs have voluntarily agreed to end shirt-front gambling sponsorship by the end of the 2025-26 season. The APG supports the position of charities such as the [Big Step](#) and Gambling with Lives, namely that there should be a complete ban on gambling sponsorship in sports. This is a particularly disappointing gap in the current proposals, given the popularity of Premier League sports among young people in Northern Ireland.
- *eSports and videogames* - The Government has said it will work with esports and videogames stakeholders to develop a socially responsible sponsorship culture. As with televised sports, the APG would support a ban on the promotion of gambling via esports and videogames, whose target audience are majority children and young people. In particular, the Government should adjust the legal definitions of gambling to capture the phenomenon of “loot boxes”, as the current position of “first pursuing enhanced industry-led protections”¹⁵ will not ensure the safety of young people in Northern Ireland¹⁶.
- *Technology* – The APG supports recommendations for operators to use the full potential of advertising technology to target advertising away from children in Northern Ireland.

Data sharing between jurisdictions

There will be a consultation on mandatory data sharing between online operators for high-risk customers. The APG supports such a measure, noting that in regard to Northern Ireland, data protection is a reserved matter, though citizens here are affected by reforms. Evidence submitted earlier this year by Clean Up Gambling to the Information Commissioner's Office (ICO) detailed widespread illegality in how data is obtained and used for profiling by online gambling operators. This affects citizens across the UK, including those in Northern Ireland, and the APG is calling on the UK Government to fulfil its obligations to protect our citizens' data.

The collection of data is also an issue between jurisdictions. The Gambling Commission provides detailed data on gross gambling yield (GGY) for GB, but it does not do so for Northern Ireland. Instead, it provides combined figures for GB and other 'non-GB' jurisdictions. The presentation of the data in this format dilutes its utility to Northern Ireland policymakers when regulating for gambling related matters. Lack of clear data between jurisdictions (both within and without the UK) means that policymakers lack the proper evidence base to understand the scale of gambling-related harm and to consider options for the future regulation of gambling.

The APG would urge the UK the Government to require the Gambling Commission to request NI-specific data from licensed gambling operators here. This data would be hugely valuable in understanding the prevalence of online gambling here and informing policy and legislation.

What are the potential barriers to the Government and Gambling Commission delivering the White Paper's main measures by summer 2024, the Government's stated aim?

As has been noted elsewhere¹⁷, the words "consult" or "consultation" appear 150 times in the White Paper; and the Gambling Commission has been tasked with 60 projects connected with the implementation of the proposed reforms. The reliance on consultations, coupled with the 2024 deadline, raises concerns that some of the consultations may be insufficiently thorough and accordingly may in turn be subject to legal challenge.

Summary response

- Regarding the upcoming consultation on a limit of between £2 and £15 per stake for online slots: the APG strongly supports a limit of £2 (if not lower).
- The APG recommends gambling operators should be mandated to reduce spin speeds on EGMs to at least every 6 seconds and spin speeds on online slots to at least every 12 seconds.
- The APG supports measures to discourage or ban other harmful characteristics of online slots (e.g., near miss designs and losses disguised as wins).
- The APG recommends that the UK Government takes specific action to protect children in Northern Ireland from online gambling advertising, highlighting the government's duty of care to citizens here.
- The APG recommends a ban on VIP schemes (e.g., bonuses, “free bets”, “free spins”) which evidence suggests are used to entice vulnerable individuals to continue gambling beyond their means.
- The APG recommends that gambling be treated as a public health issue such as obesity, smoking or alcohol, and that therefore the messaging around it should reflect this. Public messaging needs to be clear and accessible, heightening awareness about harm and clearly signposting.
- The APG recommends a complete ban on gambling sponsorship in sports.
- The APG would support a ban on the promotion of gambling via esports and videogames, whose target audience are majority children and young people.
- The APG recommends that the UK Government should adjust the legal definitions of gambling to capture the phenomenon of “loot boxes”, as the current position of “first pursuing enhanced industry-led protections” will not ensure the safety of young people in Northern Ireland.
- The APG supports recommendations for operators to use the full potential of advertising technology to target advertising away from children in Northern Ireland.

- The APG recommends that the UK the Government require the Gambling Commission to request NI-specific data from licensed gambling operators here.

References

¹ [Northern Ireland Gambling Prevalence Survey](#), 2016.

² Karlsson, A., & Hakansson, A. (2018). [Gambling Disorder, increased mortality, suicidality and associated comorbidity: A longitudinal nationwide register study](#). *Journal of Behavioural Addiction* 7(4), 1091-1099.

³ See 1

⁴ APG on Reducing Harm Related to Gambling: [Gaming Machines in Northern Ireland](#) (2022).

⁵ NSW Responsible Gambling Fund (2019): Literature review of the impact of EGM characteristics on gambling harm, p. 4

See also: Parke, A., Harris, A., Parke, J. and Goddard, P., 2016. Understanding within-session losschasing: An experimental investigation of the impact of stake size on cognitive control. *Journal of Gambling Studies*, 32(2), pp.721-735

⁶ Walker, D.M., Litvin, S.W., Sobel, R.S. and St-Pierre, R.A., 2015. Setting win limits: An alternative approach to “responsible gambling”? *Journal of Gambling Studies*, 31(3), pp.965-986

⁷ Chase, H.W. and Clark, L., 2010. Gambling severity predicts midbrain response to near-miss outcomes. *Journal of Neuroscience*, 30(18), pp.6180-6187

⁸ See 5, p. 16

⁹ See 5

¹⁰ Barton, K.R., Yazdani, Y., Ayer, N., Kalvapalle, S., Brown, S., Stapleton, J., Brown, D.G. and Harrigan, K.A., 2017. The effect of losses disguised as wins and near misses in electronic gaming machines: A systematic review. *Journal of Gambling Studies*, 33(4), pp.1241-1260

See also: Côté, D., Caron, A., Aubert, J., Desrochers, V. and Ladouceur, R., 2003. Near wins prolong gambling on a video lottery terminal. *Journal of Gambling Studies*, 19(4), pp.433-438

¹¹ Cloutier, M., Ladouceur, R. and Sévigny, S., 2006. Responsible gambling tools: Pop-up messages and pauses on video lottery terminals. *The Journal of Psychology*, 140(5), pp.434-438

See also: Sharpe, L., Walker, M., Coughlan, M.J., Enersen, K. and Blaszczynski, A., 2005. Structural changes to electronic gaming machines as effective harm minimization strategies for nonproblem and problem gamblers. *Journal of Gambling Studies*, 21(4), pp.503-520

¹² M. Auer & M. Griffith, 2022. [The relationship between structural characteristics and gambling behaviour: An online gambling player tracking study](#)

¹³ [The Betting, Gaming, Lotteries and Amusements \(Northern Ireland\) Order 1985](#), Part III, Chapter V, Article 130; see also: [The Betting and Gaming \(Northern Ireland\) Order 2004](#)

¹⁴ [Gambling \(Licensing and Advertising\) Act 2014, c. 17, Advertising, Section 5](#)

¹⁵ Department for Digital, Culture, Media & Sport (2022): [Government response to the call for evidence on loot boxes in video games](#)

¹⁶ See also: the APG's [evidence session \(3 April, 2023\)](#) with Leon Xiao of the IT University of Copenhagen, Laura Henderson and Professor Sarah Mills of Loughborough University.

¹⁷ CMS Law (2023): [The Gambling Review White Paper – the devil will be in the consultations](#)