

# chapter twenty two

## Gambling Activities: Common Issues

22.1 There are a number of issues that are common to several, or all, gambling activities. This chapter introduces some of them, rather than dealing with them in each chapter relating to the specific activity. It discusses membership, the 24-hour rule, age limits, advertising, credit and action to prevent money laundering. It also summarises the mix of activities, including the provision of alcohol, that may be permitted in gambling premises.

### Membership and the 24-hour rule

22.2 During its oral evidence, the BCA confirmed that the majority of its members wanted to retain a membership scheme. The BCA argued that it helps customers who want to self-bar, aids protection against under-age play, provides information to combat money laundering and brings the other marketing benefits of a membership scheme. The BCA also took the view that membership had to have a statutory basis to comply with money laundering regulations. We do not accept that the regulations need underpinning with a statutory membership requirement, but we understand why casinos might be more comfortable using the membership system as a means of discharging their money laundering responsibilities. We are also aware from their evidence to us that the police service is concerned that guests in casinos may be a source of money laundering. The fact that guests may be signed in by members without having to produce adequate proof of identity means that this leaves a significant loophole. We discuss that in more detail in paragraph 22.7 and in chapter 24, where we recommend that there should be a requirement to positively identify customers entering casinos.

22.3 The BCA wanted membership to be easier and quicker to obtain. It also argued that the 24-hour rule is unnecessary. We were told that visitors to London, in particular, find the 24-hour rule very restricting and means that opportunities are lost. The BCA wants instant membership/admittance on positive proof of identity.

22.4 The Bingo Association suggested that membership was part of the social activity of bingo. Retaining membership also enables operators to control entry and enforce age limits. However, the Association did not want to retain the 24-hour rule.

22.5 We agree that the 24-hour rule serves no useful regulatory purpose. It was originally intended as a cooling-off period (of 48 hours until 1996) to allow gamblers to reflect on their intention to gamble. We

believe that, having taken the decision to gamble, an adult need not be delayed further by an impediment of this kind. **We recommend that the 24-hour rule should be abolished.**

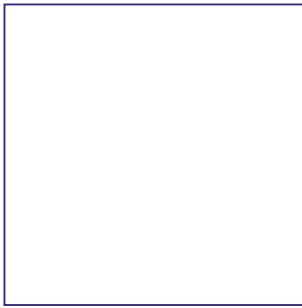
22.6 We fully accept that there are benefits to a membership scheme, but that does not mean that it has to be a statutory one. Other clubs, such as fitness clubs, often operate on a membership basis that allows them to exclude undesirable individuals, control the access to their property and market their product to an interested audience. Abolishing the statutory requirement would not preclude gambling businesses from operating as members' clubs if they so wish: this should be a commercial matter.

22.7 For casinos, the statutory requirement should be to comply with money laundering rules, which would mean that positive proof of identity is required and proper records are maintained of all visitors and transactions. This would resolve the current problem of guests being signed in and not properly identified. No one should be able to play unless he can produce adequate proof of identity. We have not been provided with evidence to suggest that systematic controls of this kind are necessary in establishments that offer only bingo and/or betting, although unusual or large transactions, of course, should be reported. We discuss the positive identification of customers in more detail in chapter 24. **We recommend that the statutory membership requirement for casinos and bingo clubs should be abolished, but there should be a statutory requirement on casinos to require positive identification of all those who enter the casino.**

### Age

#### Age of participants

22.8 We have set out in chapter 17 some of the evidence we have considered which suggests that there are particular risks arising from gambling by young people. The results of several studies suggest that adult problem gamblers have a high propensity to have started gambling in childhood or adolescence. One possible response to such evidence would be to prevent all gambling by under 18s. Certainly, if it were the position in the UK (as it is in so many other countries) that under 18s (or under 21s) could not gamble, we would not be suggesting that the policy should be relaxed. We would be recommending that much more research was necessary before any



consideration should be given to allowing young people access to gambling products. But that is not our starting point.

**22.9** One of the questions we asked people submitting evidence to us to address was “if a single age limit is appropriate, what should it be?” About half of those who submitted evidence replied to this question. Of those, 56% thought that the minimum age for all gambling should be 18, 4% thought that it should be 16, 1% thought that it should be 21, and 38% thought that it should vary according to the activity. The latter group encompassed a range of views. It included those who thought children should be able to play in seaside arcades, those who believed that the age of 16 was right for lotteries but not other activities, and a small number of respondents who thought that a higher minimum age of 21 was desirable for casino gambling only.

**22.10** It is interesting that, in general terms, the industry agree that gambling is not an activity in which under 18s should engage. There are exceptions. The gaming machine industry wants children to be allowed to play on (what it describes as) trivial machines, but otherwise it accepts that only over 18s should play. We discuss that in chapter 23. The Lotteries Commission argue that buying a lottery ticket is soft gambling and that it would be wrong to take away the ability of 16 and 17 year olds to buy tickets. Littlewoods and the Pools Promoter’s Association were both content with the age of 16 for football pools, but agreed that if a single minimum age were thought appropriate it should be 18, provided that it applied also to the National Lottery. Significantly, in its submission to us Camelot said that it would be content with a minimum

age of eighteen for the National Lottery because it would aid enforcement.

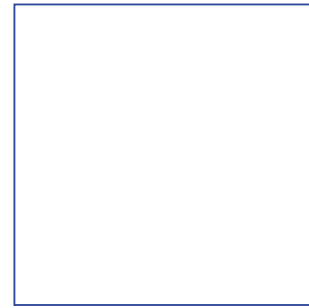
**22.11** We are persuaded by the weight of evidence that children and young people are especially vulnerable to the risks of becoming problem gamblers. **With two limited exceptions, we recommend that there should be a minimum age of 18 for all gambling.** The first exception is that the age for buying lottery tickets should not be increased from 16 unless the minimum age for purchasing National Lottery tickets and scratchcards is increased to 18 as well (we discuss this in chapter 28). This caveat is necessary because we are excluded from making recommendations on the National Lottery. Second, we have accepted that until there is more research on the subject it would be difficult to justify preventing children playing on all “coin-in/coin-out” gaming machines. We have suggested in chapter 23 that they should not be excluded from low stake/low prize machines, but that otherwise under 18s should be banned from playing gaming machines. One effect of our proposal would be that the minimum age for entering pool competitions would increase from 16 to 18.

### Age of workers in the gambling industry

**22.12** There is some variety in the minimum age requirements for those employed in gambling. These inconsistencies, and the differences in age between participants and workers, is not something that has been highlighted in submissions to us. On that basis we could conclude that there is no pressing need to alter the status quo. Figure 22i sets out some examples of the current age restrictions.

Minimum Age	What is permitted?
16	<ul style="list-style-type: none"> <li>• Selling a chance in a society or local lottery</li> <li>• Selling a chance in the National Lottery</li> </ul>
18	<ul style="list-style-type: none"> <li>• Obtaining a certificate of approval to work on the gaming floor (by virtue of the ban on under 18s being present in a room in which gaming takes place)</li> <li>• Working in an arcade to which no under 18s are admitted (by virtue of the general restrictions on under 18s)</li> <li>• Working in a betting shop (by virtue of the general prohibition on under 18s)</li> </ul>
21	<ul style="list-style-type: none"> <li>• Obtaining a bookmaker’s licence</li> <li>• Obtaining a bookmaker’s permit</li> <li>• Obtaining a betting agency permit</li> <li>• Receiving or negotiating bets “as a servant or agent to another bookmaker or Totalisator Board”</li> <li>• Obtaining a gaming certificate of consent</li> </ul>

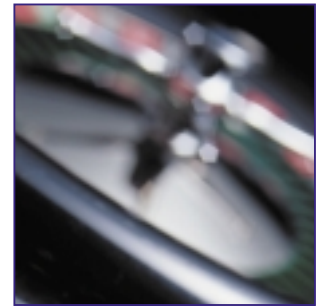
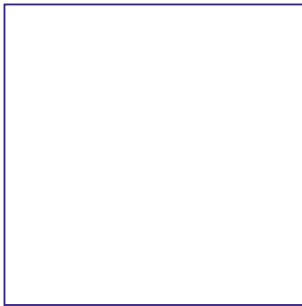
Figure 22.i: Minimum age for employees or licensing



- 22.13 There are other activities that appear to have no statutory age limits. These include obtaining a certificate to sell, supply or maintain gaming machines; obtaining a permit to operate an amusement arcade; registering as a pool promoter; and operating a totalisator on a dog track.
- 22.14 We have considered whether these differences matter. We hope that one benefit of our recommendations on the minimum age for gambling will be to make the law clearer and easier to enforce. We cannot see that there is a logical argument for saying that the age of the people who are employed in the gambling industry must be higher than that of their patrons. If such differences were to be preserved, it seems likely that they would at some point be challenged on grounds of age discrimination. Arguably, a fit and proper test (of the type described in chapter 19) is a much better measure than age of an employee's suitability, but that will not cover everyone.
- 22.15 We have concluded earlier in this chapter that under 18s are not sufficiently mature to take part in gambling. It is logical to conclude further that under 18s should not be exposed to gambling as workers. Adopting 18 as a universal minimum age would have little practical effect on the examples we have given above. The exception is lotteries. Here the minimum age to sell tickets is 16 - presumably because the minimum age to buy is 16. It has been suggested to us that 16 should remain the minimum age for selling lottery chances, because many younger teenagers work in supermarkets and small shops where the tickets are sold. We are not unsympathetic to that.
- 22.16 We do not see the need to retain 21 as the minimum age for some forms of employment in gambling. **We recommend that the minimum age for working in a gambling establishment or otherwise being approved to work in the gambling industry should be 18, with the exception that lottery chances may be sold by 16 and 17 year olds.**

## Advertising

- 22.17 In the past, the advertising of gambling products has been tightly restricted as part of the overall desire not to stimulate demand. In recent years, there has been some relaxation. Figure 22.ii sets out the current position.
- 22.18 The Advertising Standards Authority's code includes rules on betting and gaming. The ASA told us that they had received no complaints about gambling advertising since the restrictions were lifted.<sup>1</sup> The ASA took the view that provided there were adequate controls on gambling activities, any advertising could effectively be regulated by the advertising industry's system of self-regulation. The fundamental principle of the ASA's code is well-known – "All advertisements should be legal, decent, honest and truthful". The ASA also has specific rules relating to betting and gaming. These are:
- *the gaming industry and the advertising business accept responsibility for ensuring that advertisements contain nothing that is likely to lead people to adopt styles of gambling that are unwise*
  - *advertisements and promotions should be socially responsible and should not encourage excessive gambling*
  - *care should be taken not to exploit the young, the immature or those who are mentally or socially vulnerable*
  - *advertisements should not be directed at people under 18 through the selection of media, style of presentation, content or context in which they appear. No medium should be used to advertise betting and gaming if more than 25% of its audience is under 18 years of age*
  - *people shown gambling should not be, nor should they look, under 25.*



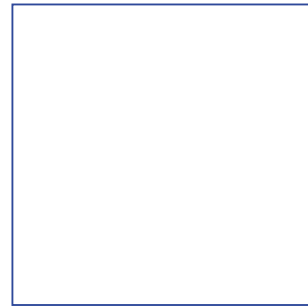
Activity	Advertising restrictions
Casino gaming	Limited advertising in newspapers, magazines. Can only give factual information – name, address, logo, contact numbers and limited details about the facilities, ownership, admission and method of membership.
Bingo	No restrictions on bingo advertising – removed in 1997 – but clubs cannot advertise their AWP or jackpot machines. Matters of content and scheduling for television adverts is addressed through broadcasting codes. Can advertise facilities and prize money on television and radio.
Betting	Betting shops may advertise in material form (newspapers, journals, posters), but not on radio or television.
Gaming machines	Prohibited, except amusement arcades, fun fairs and an incidental activity at a non-commercial entertainment can be advertised.
Lotteries	There are various restrictions according to the type of lottery. The advertising of small lotteries is restricted to the confines of the event. Private lotteries may not be advertised outside the club/work premises in which they are promoted. There are no restrictions on societies' or local authorities' lotteries. Overseas lotteries cannot be promoted in the UK.
Pools	No restrictions; removed in 1995
Spread betting	Can advertise under auspices of Financial Services Authority, as an investment advertisement.
National Lottery	No statutory restrictions. There is a National Lottery Advertising Code of Practice to control advertising so that it does not "attract children or encourage excessive playing".

Figure 22.ii: Advertising restrictions

22.19 The Independent Television Commission has a Code of Advertising Standards and Practice (as does the Radio Authority). That prohibits the advertising of betting and gaming, except football pools, bingo, the National Lottery and lotteries permitted under the Lotteries and Amusements Act 1976<sup>2</sup>. The Code reflects the current legal position, but in addition prevents telephone, internet and interactive-based credit betting services from advertising. Such services are not explicitly covered in legislation, but the ITC's position reflects Home Office policy that broadcasts should not stimulate demand for gambling. The ITC pointed out to us that there is an anomaly with teletext services, which do carry advertisements for credit betting services, because in 1980 the Home Office took the view that teletext differs from the main broadcasting services because it is a service that is under much more control by individual viewers.

22.20 The ITC advised us that its current prohibition on advertising interactive betting services is likely to be challenged. It pointed out that if the advertising of all gambling is to be prohibited, that ban should be explicit in legislation and not left to individual media regulators to implement.

22.21 The ITC also drew attention to the uncomfortable relationship between banning advertising and permitting sponsorship. It rightly pointed out that "viewers view sponsorship credits, which are allowed to include an explanation of their business, as part of television's "commercial clutter"". We note that, as well as the sponsorship of programmes, the names of gambling operators are often emblazoned on the screen as sponsors of individual races. We share the ITC's view that allowing sponsorship and prohibiting advertising is "a distinction without a difference".



22.22 The National Lottery, of course, is the most widely advertised gambling product. In addition to the industry codes of practice, advertising of the National Lottery is governed by the National Lottery Advertising Code of Practice. This includes specific provisions relating to the prohibition of advertising aimed at or likely to appeal to, under 16s.

22.23 The preceding paragraphs set out some of the confusion that surrounds the advertising of gambling products. The boundaries of the current restrictions are being increasingly tested by the introduction of the internet and interactive services through television. It is important that the law should be clear about what is and is not permitted, and that it should be consistent across gambling sectors.

22.24 We share the ASA's view that if the underlying activity is properly regulated, there should be no objection in principle to the product being advertised. There are particular considerations that should apply to gambling. Some of these are touched on in the various codes that currently control advertising, such as not directly advertising at children, restrictions on the times adverts are broadcast and not encouraging excessive gambling. We believe that the Gambling Commission will have a role to play in bringing these issues together in an advertising code of practice for the gambling industry.

**We recommend that advertising of gambling products and premises should be permitted, subject to an advertising code of practice to be issued by the Gambling Commission. Breach of the code may be subject to enforcement action by the Commission up to and including the revocation of a licence.**

22.25 Perhaps most importantly, advertising of gambling should not exaggerate or otherwise misrepresent the chance of winning. We have seen in our visits abroad some of the "health warnings" that are attached to gambling advertisements, or made available in premises. In Holland, punters are warned "Life is a gamble, but don't gamble with your life". Australia tells punters "Gambling can be addictive", "Excessive gambling can lead to the loss of your home and other assets". What the impact of such slogans may be and how effective they are is not something we are competent to judge, but clearly some other jurisdictions feel that their use is justified. Government health warnings in this country tend to be restricted to tobacco products. **We recommend that the Gambling Commission should monitor the impact of relaxing the restrictions on advertising and, if it seems appropriate in the light of that monitoring, it should have the power to require a warning of the kind mentioned above to be displayed on advertisements.**

## Credit

22.26 In discussing the provision of credit it is helpful to distinguish between credit provided by the supplier of the gambling service and credit provided by a third party. The current position is that, broadly, credit of the first type may be used for betting (in limited cases) but not for gaming. There are also some restrictions on the use of the second type of credit for either betting or gaming.

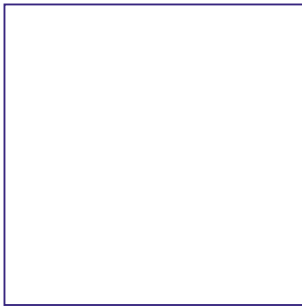
22.27 Bookmakers can provide credit to punters who deal with them by telephone or on-line. Whether they do so and the amount of credit they advance are matters of commercial judgement. They may not provide credit on their own account in betting shops. Spread betting can also be conducted on credit. Spread-betting debts are enforceable. We would not want to remove these credit facilities, of which we have heard nothing to concern us, but equally we would not want to see the ability of operators to offer credit to be extended to any other types of gambling.

22.28 The provision of credit by a casino operator is forbidden under the Gaming Act 1968. Payments for chips must be by cash, cheque or debit card. Cheques can also be exchanged for cash (without any discount). Cheques must not be post-dated and must be presented for payment within two banking days. Under current regulations, gaming machines must be operated only by coins or tokens.

22.29 There is nothing, in law, to stop punters from obtaining credit from third parties with which to gamble. Cheques used to pay for betting or gaming may be using overdraft facilities provided by banks. (We understand that debts to banks arising from gambling are enforceable.) Similarly, punters can use credit cards to withdraw cash from Automated Teller Machines (ATMs).

22.30 Credit cards can be used to finance internet gambling and betting through interactive television. The normal process is that funds are transferred from the credit card account to the punter's balance with the bookmaker or on-line casino. Credit cards cannot be used directly in casinos, arcades or betting shops, but we have noticed that ATMs are increasingly being installed in arcades. ATMs that accept only debit cards are currently installed in bingo clubs, and we understand that the Gaming Board has been in discussion with the British Casino Association and has agreed guidelines about the installation of such machines in casinos.

22.31 The British Casino Association suggested that credit cards should be acceptable in casinos. It argued that it is inconsistent to allow a player to gamble with funds



available to him from his bank but not with the funds available on his credit card. In addition, a credit card transaction will be rejected if the credit limit has been reached, whereas a casino has no immediate means of checking a player's credit-worthiness with his bank if he is paying by cheque for a sum beyond the guarantee card limit. The BCA did not want any changes to the existing rules on the provision of credit by operators or on payment by cheque. Neither BOLA nor BBOA requested any change to current regulations on the use of credit.

- 22.32 There seem to be two reasons for the current limits on the use of credit. The first relates to the need to discourage criminal involvement. The Rothschild Commission stated that before the 1968 Act the granting of credit had been associated in some cases with dangerous abuses. "Since gaming debts are irrecoverable at law, resort was sometimes had to private means of recovering them." The second relates to protection of the vulnerable. The provision of credit makes it more likely that some punters will gamble to the point of harm.
- 22.33 Since we are proposing (in chapter 26) that gambling debts be enforceable it may be said that the criminality argument is weakened. Violence or the threat of it is an alternative to the courts as a means of seeking payment of all kinds of debts, but there is no reason to suggest that properly regulated gambling will be particularly prone to it.
- 22.34 On balance we believe that the arguments favour permitting the use of credit cards as a means of paying for gambling. Many people rely on using their credit card for most purchases and we find it difficult to argue that, say, using them to purchase chips in casinos is something that should be prohibited. We note that credit cards can generally be used in casinos abroad and they are the natural currency for on-line transactions.
- 22.35 As we discuss more fully in chapter 23, we are concerned that gaming machines present special opportunities for fast and repetitive play: adding credit cards directly to that mix would add further to the risk. With that in mind, we do not believe that credit or debit cards should be approved for direct payment on gaming machines. **With the exception of direct use in gaming machines, we recommend that credit cards should be permitted for gambling.**

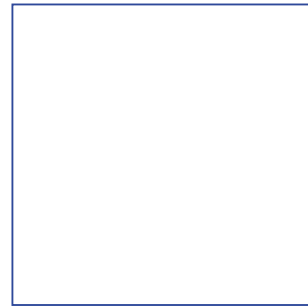
#### Automated Teller Machines

- 22.36 We have mentioned that ATMs are increasingly being installed in gambling areas. This does concern us, because the ready availability of machines may encourage players to draw out more than they initially

intended. We have noted recent press reports that ATMs are being withdrawn from the gaming floor in some other countries to ensure that players have to break from gambling to obtain more funds. We should learn from the experiences elsewhere that have caused such a change of policy. **We recommend that the location of ATMs should be required to be such that players have to take a break from gambling to obtain more funds. The Gambling Commission should issue guidelines setting out the restrictions on where ATMs may be situated.**

#### Money Laundering Regulations

- 22.37 Money laundering as currently defined in the draft EU 2nd Directive on Prevention of the Use of the Financial System for the Purpose of Money Laundering is:
- *the conversion or transfer of property, knowing that such property is derived from criminal activity or from an act of participation in such activity, for the purpose of concealing or disguising the illicit origin of the property or assisting any person who is involved in the commission of such activity to evade the legal consequences of his action*
  - *the concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of property, knowing that such property is derived from criminal activity or from an act of participation in such activity*
  - *the acquisition, possession or use of property, knowing, at the time of receipt, that such property was derived from criminal activity or from an act of participation in such activity*
  - *participation in, association to, attempts to commit and aiding, abetting, facilitating and counselling the commission of any of the actions mentioned in the foregoing paragraphs.*
- 22.38 The draft 2nd EU Directive will amend a Directive which came into force in 1991. That imposed obligations on credit and financial institutions, and the 2nd Directive will extend those obligations to a range of other activities and professions including casinos. In the UK, provisions relating to casinos will be given effect in revisions to the Money Laundering Regulations.
- 22.39 Although the Directive has not as yet been finally concluded, it seems likely that the Regulations will require casinos to identify all customers at the point of entry (or identify those who purchase, exchange or sell gaming chips above a certain value), monitor transactions, maintain records, train staff to spot money laundering, and have procedures in place to report suspicious transactions. Our recommendation



that casinos should require positive identification of customers is likely to be sufficient to comply with the entry requirements under these Regulations.

- 22.40 The EU Directive does not extend to betting. This is perhaps because other EU members do not have a betting industry of the same kind or scale as the UK. There may not be a perceived problem at EU level, but that does not mean that the UK cannot go further in domestic legislation if there is evidence to suggest that this should be done. The Jockey Club recommended to us that "betting organisations should be required to adopt money laundering compliance regulations". The National Criminal Intelligence Service told us that there was intelligence to suggest that betting was a medium for money laundering, both on and off-course.
- 22.41 We are satisfied that there is evidence of money laundering in betting and that the mischief is sufficient to recommend that, at least, there should be a statutory requirement to report suspicious transactions. The obligations placed on bookmakers could not reasonably be the same as those on casinos. For example, a requirement to positively identify all

customers would simply be impractical on a racecourse or in a betting shop and such an obligation would be out of proportion to the problem. But, for example, there could reasonably be an obligation to positively identify punters who place individual (or cumulative over a short period) bets above a specified limit. **We recommend that money laundering compliance measures should be extended to betting.** We suggest that this could most conveniently be done in the revised Money Laundering Regulations to be introduced to implement the 2nd EU Directive. If such measures were separately included in gambling legislation, there is a danger that they would not keep pace with relevant changes to subsequent regulations.

- 22.42 We have received no evidence to suggest that anti-money laundering measures should be introduced for other gambling activities or premises.

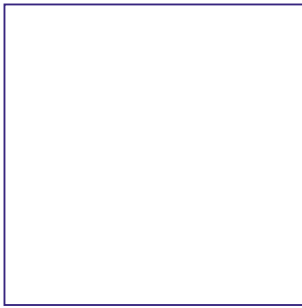
### Mix of activities in gambling premises

- 22.43 Many of the submissions made to us suggested that there should be a hierarchical approach to licensing. Amongst those who promoted this view, it was generally accepted that casinos sat at the top of the pyramid, but below that

Venue	Members only	Positive ID to enter	Over 18s only	Table games	Casino slots	Jackpot Machines	All-cash Machines	Low stake low prize machines	Bingo	Betting	Alcohol	Live Entertainment
Casinos		✓	✓	✓	✓				✓	✓	✓	✓
Bingo Halls			✓			✓ (up to 4)	✓*		✓		✓	✓
Betting Shops			✓			✓ (up to 4)				✓		
Arcades			✓				✓*					
Family Entertainment centres								✓				
Pubs							✓ (up to 2 with liquor licence)				✓	✓
Racecourses and dog tracks on race days							✓ (up to 2 with liquor licence)				✓	✓
Private Members' Clubs (Miners' Welfare)	✓			✓			✓ (up to 2 with liquor licence)		✓**		✓	✓
Proprietary clubs	✓						✓ (up to 2 with liquor licence)		✓**		✓	✓

\* Number of machines to be regulated by the local authority, subject to health and safety considerations.  
 \*\* Not currently prohibited. Will be required to be licensed if bingo is carried out on a commercial scale.

Figure 22.iii: Summary of recommended permitted activities by premises



level it was hard to say how the other activities fitted together. We considered whether a hierarchy could be established, but it became clear that such an approach could not be sustained. In our recommendations we have sought to remove some of the inconsistencies that do exist, but we have concluded that below the level of casinos gambling activities should not be further mixed than they already are.

**22.45** Key points to note are:

- the toughest regulatory regime and the widest range of activities will apply to casinos. Bingo and betting will be new options
- with one minor exception (casino gaming floor), we are not proposing that the mix of alcohol and gambling should be more readily available
- under 18s will have access to only one type of gambling (excluding lotteries).

**22.46** Casinos will be subject to the toughest regulation and will have strict admission controls. In that environment, we are relaxed about mixing gambling activities, even though this may tempt some punters to try a different activity that they might otherwise not come into contact with. Punters will have made a specific decision to attend a place where there are table games and perhaps casino slot machines. Allowing bingo and betting under the same roof will add to the diversity in this controlled environment, but will not have other implications for, say the level of regulation or the availability of alcohol. Our recommendation to allow entertainment is consistent with casinos being able to offer a more rounded social environment.

**22.47** We set out in chapter 20 our view that new casinos should have a minimum gaming floor dedicated to table games of 2,000 square feet. Table games must always be offered in casinos. An operator could not, for example, seek a casino licence and then offer only betting, but with alcohol and entertainment. We also want to avoid creating casinos that can offer only, or predominantly, gaming machines. To ensure that this does not occur **we recommend that the maximum number of gaming machines in a casino is determined by the number of gaming tables that are available for play. We suggest that the maximum should be determined by a ratio of eight machines to each table, but that where the number of tables exceeds eighty there should be no maximum on the number of gaming machines.** We consider that once a casino is so large that it can contain eighty tables and 640 machines, the focus of the gambling activities would not noticeably be affected by adding more machines.

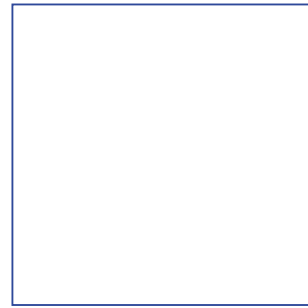
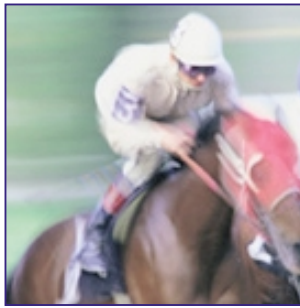
**22.48** We should make it clear that a casino operator need not offer anything other than table games. Other activities are options, and he would need to demonstrate that he was competent to offer each of the additional activities he chose to apply for.

**22.49** Having determined that a mix of activities should be permitted in casinos, we then considered whether bingo halls should be able to offer betting. The current premises-based approach to regulation has produced some fairly clear distinctions between different types of gambling venue. Casinos, betting shops and bingo halls differ from each other physically and in terms of what they provide. They also tend to attract different clienteles and to have different social atmospheres. (This was particularly the case when betting shops were required to be stark and uninviting.) It has been proposed to us that the regulations that produce these differences are unnecessary and that the mixture of gambling activities provided should be a matter of social judgement. The result might still be that we would have some premises largely devoted to bingo, for example, and others devoted to betting but that would be for the market to decide. A similar argument has led to the proposal that betting should be permitted in pubs.

**22.50** We recognise the force of these arguments and do not lightly interfere with commercial judgements. However, as we describe in chapter 3, two related principles cause us to propose a system that is close to the present one. The first is that we do not wish to increase the availability of ambient gambling. As far as possible, gambling should only be available at places dedicated to it. Second, we wish to limit the extent to which gambling can be combined with the consumption of alcohol. Both principles lead us to reject the proposal that betting be permitted in pubs. The second principle leads us to reject the proposals that alcohol be provided in betting shops and that betting be allowed in bingo halls.

### Alcohol in betting shops and betting in pubs

**22.51** The bookmaking associations told us that they did not want to introduce alcohol to betting shops, but said that if we were minded to allow betting in pubs they would want to be allowed to serve alcohol so that they could compete. The racing fraternity asked for betting to be allowed in pubs, because they saw it as a way of increasing income for their sport. The Brewers and Licensed Retail Association did not support betting in pubs in its first submission to us, but later suggested that it should be an option in the future. To support its proposal that there should be betting in pubs (and other places) the British Horseracing Board commissioned a survey of people's attitudes to betting in pubs.<sup>3</sup>



22.52 Of course, betting and alcohol do already mix in some circumstances. The following arguments have been put to us.

- *It is possible to bet and drink at a racecourse.* We accept that betting and alcohol do mix at racecourses. These are sporting and social events, at which betting occurs, but betting is not the only or main draw. There are only 59 racecourses and racing takes place at each of them on only a few days a year. That does not compare to a constant presence of 8,700 betting shops and 78,000 pubs and bars. We accept that racing and drinking mix more often at greyhound tracks, but again this is very different from betting in a pub.
- *It is possible to use a bookies' runner at a pub.* We note that using a bookies' runner is illegal and this does not necessarily reflect a demand that should be satisfied.
- *It is possible to go next door from the pub to the bookmakers (bookmakers and pubs are historically sited conveniently close to one another).* The fact that pubs and betting shops are located near each other does not itself make the activities compatible. Our

view is that gambling should generally take place in premises in which it is the principal purpose.

- *It is possible to make a bet in a pub using a mobile phone.* There is nothing unique about using a mobile phone in a pub: telephone bets can be made on the train, in the office or any number of places and there can be no serious argument that betting should be legally permitted in those places as a result.

22.53 Research into problem gambling indicates that people may gamble more than they intended and take more risks when they mix alcohol and gambling. Research also indicates that increased accessibility to gambling increases both the number of gamblers and the number of problem gamblers. Consistent with our wish to proceed cautiously, the further mixing of betting (or any other gambling) and alcohol is not something that we could recommend.

22.54 Allowing betting in pubs would also have considerable implications for the regulation of betting and the resources required to police it. We have not found it necessary to explore those consequences given our more fundamental objection to such a change.