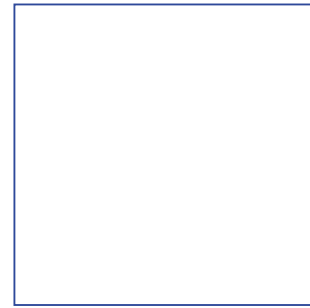
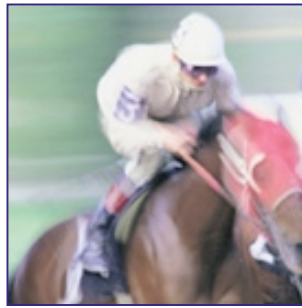


chapter twenty five

Bingo

- 25.1 A number of issues relating to bingo have been discussed in earlier chapters. This chapter deals with the issues that are unique to bingo.
- 25.2 Chapter 19 deals with the licensing of corporate bodies and individuals, and chapter 21 with the licensing of premises. In chapter 20 we have recommended that the demand test for bingo halls should be abolished. In chapter 22 we have set out our recommendations that membership and the 24-hour rule should be abolished; credit cards should be permitted to be used for gaming; and advertising restrictions may be relaxed (although, of course, bingo is already free to advertise widely). That chapter also discusses the mix of activities in gambling premises: we have recommended that casinos should be able to offer bingo (subject to the operator obtaining the necessary licence). Chapter 23 sets out our recommendation that individual bingo halls should be permitted to have both four jackpot machines and a number of all-cash machines (the maximum number to be determined by the local authority). In chapter 30 we have recommended that on-line gambling should be permitted and regulated. The implication for bingo operators in Great Britain is that they would be able to offer on-line bingo on regulated sites
- Bingo games**
- 25.3 The Bingo Association told us that it would like to be able to offer much greater variety in the games its members can provide, together with much higher prizes. Bingo was badly hit by the National Lottery and bingo halls continue to see the National Lottery as a principal competitor. The bingo industry is also concerned about the impact on its market of unlicensed bingo in pubs and clubs.
- 25.4 Bingo is widely regarded as soft gambling. We have noted in Chapter 17 that a soft form of gaming can be transformed into a far more addictive activity by changes to the frequency with which staking can take place. Opportunities for rapid re-staking when the stakes are high allow people to run considerable financial risk in a very short period of time. Games where the total money staked in a period is paid out in many trivial amounts may create the illusion that little money has been staked. If bingo operators were to be able to offer unlimited stakes in combination with unlimited game frequency and computer terminal based games, we think that the nature of the game could be changed into a much harder variety.
- 25.5 The Bingo Association has made clear its view that bingo should remain soft gaming, and should not be mixed with harder forms of gambling which could encourage punters to trade up to those harder forms. However, we note that bingo halls already rely on a harder form of gambling - gaming machines - for 25%-30% of their profits.¹ According to the MORI poll for BSL, the average spend of bingo patrons on gaming machines (£6.05) is only a little lower than the average spend on bingo of £8.44 per night².
- 25.6 We have also noted the number of submissions from bingo operators that have emphasised the social framework in which bingo is played. Bingo is said to have a place at the heart of many communities and companionship and the chance to make and meet friends are often cited as reasons why people play. We have been told that bingo is regarded as a good night out for a modest outlay. Including food, drinks and other games, such as mechanised cash bingo or machine games, the spend is around £15-£20³. Bingo clubs are viewed as safe and comfortable, particularly for women.
- 25.7 The current rate of problem gambling among bingo players ranges from 2.0% to 2.6% according to the Prevalence Survey. According to the research commissioned by the Bingo Association, 31% of the public and 27% of bingo players thought that bingo tended to appeal to those with some form of gambling addiction. We think there are real risks in intensifying the addictive potential of the activity.
- 25.8 We understand the bingo operators' wish to offer a greater range of games and variations on the current game and we are content to make recommendations that would provide for this. However, we are concerned that there should be safeguards which would enable the Gambling Commission to assess whether new games and variations of the bingo game, by changing both the speed and the amount which can be staked, change the nature of bingo. **We recommend that any new games should be approved by the Gambling Commission. The Gambling Commission should also be able to intervene where games which are currently approved are so altered as to change their nature to become harder in their operation.**
- 25.9 In this context, we have been concerned to note the introduction of the "Electronic Dauber" (TED). This enables players to play simultaneously as many electronic bingo tickets as the memory capacity of the machine will permit. We believe that this fundamentally



changes the nature of the game. TEDs are not yet widely available and we understand that clubs have restricted TED's players to 30 or 40 tickets a time, although each machine has the capacity to read many more tickets. Most players are still limited to the number of tickets which they can register manually – six is usually the maximum, although some people can play up to twelve.

- 25.10 The use of TEDs increases the speed of the bingo game, and increases the number of games which can be played in any session, thus significantly increasing the average spend. More importantly, the introduction of TED means that there is an imbalance amongst the players. Those playing manually are dependant on their own ability to keep up with the game on all their cards, but they are playing head-to-head with others who are relying on a machine to read the cards for them. We question whether it is fair to mix the two systems. It is perhaps arguable that a player who chooses not to hire a TED machine to play against others in the same bingo hall can properly assess the odds against them and take a chance. But if TEDs are used by people playing linked bingo or the National Game, the inequality is greater and cannot be assessed by individual players.
- 25.11 In our view, using TED significantly alters the nature of bingo. We understand that the Gaming Board believes that it has no power under the existing legislation to prevent the introduction of TED. Certainly, if this system were not permitted under the current law, we would have reservations about its introduction alongside traditional bingo games. This is one of the reasons we have recommended that the Gambling Commission should have the power to intervene if the nature of the game is fundamentally altered.

Stakes, prizes and frequency of games

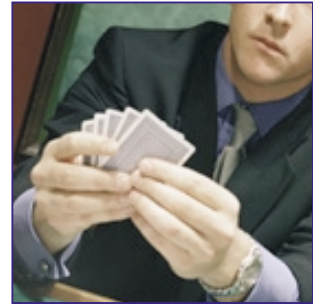
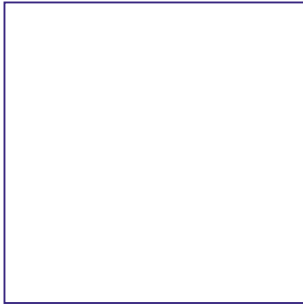
- 25.12 Smaller bingo companies have expressed concern about higher stakes and prize limits, because this could affect their ability to compete with larger companies who will offer bigger prizes. This is similar to the concern expressed by smaller casinos about the stake and prizes on casino slot machines. In the case of slot machines we have argued that the prospect of more competition should not artificially restrain stakes and prizes, and noted that smaller casinos could link together to offer bigger prizes. The same can be said about bingo. We recognise that more competition may adversely affect smaller bingo companies, but we do not consider that it is part of our remit to take specific steps to preserve any particular part of the industry. **We recommend that there should be no statutory limits on the stakes and prizes in bingo games.** We consider that the market should determine these limits. We note that the Bingo

Association has reported that higher ticket prices are not popular with players and this will be the main restraint to big increases. Our proposal will mean the removal of the principle that prize money must only come from stake money.

- 25.13 There are currently restrictions on the number of times the National Game or other multiple bingo may be played. We do not think that such restrictions are necessary. The Bingo Association has argued that multiple games will never entirely replace mainstage bingo and our own observations during our visits lead us to accept that view. **We recommend that there should be no restriction on the frequency of multiple bingo games.**
- 25.14 The Bingo Association has asked that the principle of rollovers should be applied to bingo. This would operate by means of retaining a proportion of the stake on each game to generate a rollover to add to the prize on another game. The National Lottery is permitted to "rollover" three times. It would be difficult to apply a similar limit to bingo, but the Bingo Association has suggested that the money levied from any particular game should be paid out as an increased prize within one year. We think that such a system could be very complicated to administer, if the retained stake from every game had to be separately identified and accounted for. But that may nevertheless be the most simple solution. **We recommend that rollovers should be permitted.**

Pubs and clubs

- 25.15 The Bingo Association has proposed that all premises licensed for the sale of alcohol which intend to offer bingo should be registered in the same way as bingo halls. Bingo played in pubs and clubs is not liable for duty and is not regulated.
- 25.16 We understand that there are plans to introduce linked bingo to working men's clubs, to be run by a commercial company with prizes of up to £20,000. The Gaming Board has told us that it has been consulted about this proposal, but that it is not within its remit.
- 25.17 In our view, the exemptions in the Gaming Act 1968 were intended to provide for occasional gambling on a small scale, conducted primarily for entertainment rather than commercial gain. It is difficult to reconcile that with a linked game offering a big prize. If such a scheme were pursued, it would appear to evade current regulation. That cannot be right. We cannot have rigorous assessment of bingo on commercial premises, but no regulation at all of those offering similar prizes on private premises through the medium of a commercial company.



25.18 We do not think that the Gambling Commission should concern itself with the level of exempt bingo envisaged in the 1968 Act, but it should certainly have the ability to regulate all bingo conducted on a commercial scale. **We recommend that where the**

size of prizes for equal chance gaming (such as bingo) in pubs or clubs is beyond a limit of £1,000 per week, it should be regulated by the Gambling Commission in the same way as other commercial bingo.