

## Position Paper - Gambling

### 1. Biblical Background

- 1.1.** Biblical writers do not mention gambling specifically. They are, however, critical of the love of money, which is a strong motivator for participating in gambling activities. Matthew 6:24 proclaims 'No one can serve two masters; for a slave will either hate the one and love the other, or be devoted to the one and despise the other. You cannot serve God and wealth'.
- 1.2.** Similar warnings against the desire for money are found elsewhere:
  1. 1 Timothy 6:10 states that 'the love of money is a root of all kinds of evil, and in their eagerness to be rich some have wandered away from the faith and pierced themselves with many pains'
  2. Love of money and greed cannot lead to happiness or salvation, and attempts to gain wealth hastily are condemned (Ecclesiastes 5:10; Proverbs 13:11, 28:20; and Hebrews 13:5)
  3. Greedy people will not inherit the Kingdom of God (1 Corinthians 6:10)
  4. The reckless and wasteful use of money is recognised as foolish in the story of the prodigal son, where the younger son squanders his wealth on wild and foolish living (Luke 15:11-32)
- 1.3.** Drawing lots is used frequently to make decisions in the Old Testament (Leviticus 16:8; Numbers 26:52-56; 1 Chronicles 24:31; Joshua 19:51): here the element of chance seems to act as a transparent guarantor of fairness. When lots are drawn in Acts to decide who will succeed Judas as the twelfth disciple, however, the intention seems to be that God will providentially determine the outcome (Acts 1:23-26).
- 1.4.** Both these cases are clearly distinct from gambling, understood as the pursuit of financial gain through the unequal distribution of stakes in events with an element of chance.

### 2. Methodist Tradition

- 2.1.** The Bible therefore acknowledges that while some activities may be lawful, they are not always beneficial or helpful. (1 Corinthians 10:23-33). Many Methodist members choose not to gamble for ethical reasons, but the Methodist Church in Britain does not now endorse the prohibition of gambling. Rather, it is recognised that for some people gambling is a leisure or social activity, though one which can be harmful and needs careful regulation. The Methodist Church works with ecumenical partners to persuade the UK Government to ensure that the gambling industry is closely regulated to minimise the risk and harm to some people.
- 2.2.** The Methodist Church has a long-established concern about gambling: gambling is divisive and is a means of gaining money at the expense of others. This view is expressed by John Wesley in his sermon, *The Use of Money*, where he stated that gambling was a means of gain inconsistent with love of neighbour.
- 2.3.** The Biblical lessons regarding the Christian work ethic are evident in John Wesley's Sermon LII. He refers to Gamblers: "who made a trade of seizing on young and inexperienced men, and tricking them out of all their money... not a few of these (were constrained) honestly to earn their bread by the sweat of their brow, and the labour of their hands." Wesley condemned those responsible for exploiting more vulnerable members of society, gaining from others' expense.
- 2.4.** John Wesley did not object to softer forms of gambling, recognising these as a form of entertainment and relaxation. In the *Rules of Society*, Wesley wrote: "I never bought a lottery ticket myself, but I blame not those who do." Ultimately it is the individual's choice whether they choose to partake in gambling activities.
- 2.5.** The 1936 Declaration of the Methodist Church held a prohibitionist stance on gambling. It stated that: "belief in luck cannot be reconciled with faith in God." In addition, Methodists were asked to "avoid and discourage all forms of gambling practices." It is worth noting that at the time of the 1936 Declaration, 'recreational' gambling was largely illegal and therefore unregulated.
- 2.6.** The 1936 Declaration defined the nature of gambling as follows:
  1. a determination of the possession of money or value by an appeal to chance;
  2. the gains of the winners are made at the expense of the losers; and

3. gain is secured without rendering in service or in value an equivalent of the gain obtained.
- 2.7. The concern voiced by the 1936 Conference about the negative effects of gambling addiction to the individual and on others is still valid today. Its judgement was that future legislation should be directed at excluding betting advertisements from the press. In addition, it called for the law to be strengthened in relation to young people and gambling.
- 2.8. The 1936 Declaration was superseded in 1992 by a new [Methodist Statement on Gambling](#). It recognised that while many Christians choose not to gamble at all on ethical grounds, others participate in forms of gambling that may be considered leisure or social activities. Furthermore, it is important 'to heed the experience of our tradition in our concerns for the serious evils of gambling; but also to avoid the heavy-footed pursuit of the trivial'.
- 2.9. The Church is keen to ensure that gambling is well-regulated and carried out with a concern to minimise the harm it can cause. Methodists remain deeply concerned that people can still get trapped by compulsive gambling. Problem gambling can destroy relationships, families and lives. It can have a disproportionate effect on children.
- 2.10. The Methodist Church in Ireland's theological reflections on gambling and the national lottery are also noted. The Methodist Church in Ireland made significant statements on gambling in 1931, 1951, 1958, 2003, 2007 and 2012. In light of the 2012 Conference Resolution that affirmed 'opposition to all forms of gambling', it nevertheless resolved to permit Missions and other Church bodies to apply for lottery-sourced funding under very specific circumstances. The Church continues to explore alternative sources of funding which churches and community projects might access.

### 3. Current Issues Around Recreational Gambling

- 3.1. There are a number of current concerns around gambling participation, promotion and marketing which may be of concern to ethical investors:
1. **Problem gambling** – For some people gambling can become an addiction, impacting on people's health, work, relationships and the lives of those around them. Despite the economic recession and the greater pressures on gamblers' finances, evidence from the 2010 Prevalence Study shows that both gambling prevalence and problem gambling are on the increase (0.9% of the population are estimated to be problem gamblers; a 50% increase from the 2007 prevalence survey).<sup>[1]</sup> The increase in problem gambling appears to be linked to the rise in gambling participation levels. High time/high spend gamblers have the most adverse socio-economic profile; they are more likely to come from areas of greatest deprivation, live in low income households and be unemployed. This group is more predisposed to betting on horses, fixed odds betting terminals (Category B2 machines, see Appendix I) and casino games. Churches continue to support measures, such as controls on stakes placed on high value machines, with the potential to limit problem gambling.
  2. **The distinction between 'harder' and 'softer' forms of gambling** – While even soft forms of gambling may lead to addiction, it is commonly accepted that some gambling activities are more harmful than others<sup>[2]</sup>. Less risky forms may include low stake gambling such as the National Lottery, or activities which emphasise the social element more than the potentially addictive elements, such as bingo. Gambling activities which offer high stakes and prizes and rapid play, offer the appearance of an element of skill and expert knowledge, or isolate the player and are riskier. Activities typically identified by research into problem gambling as 'hard gaming' include machines, dog races, poker and online gaming<sup>[3]</sup>. Some forms of gambling make a disproportionate profit from problem gamblers: recent research found that 27% of the industry's profits through dog races came from problem gamblers; for Category B2 machines, the figure was 23% and the total profit £297 million per year<sup>[4]</sup>.
  3. **Normalisation of gambling and the erosion of safeguards** – The liberalisation of stakes and prizes of gaming machines, the normalisation of gambling as a leisure activity and the rapid growth of online and social gaming are all tending to erode the distinction between hard and soft gambling. Under the Gaming Machines 2007 regulations, machines are classified in Categories from Category A (hard gaming machines found in regional Casinos, although none have so far been opened) to Category D (e.g. low stake slot machines and crane-grabbers)<sup>[5]</sup>. This represents an understanding that machines with higher stakes and prizes are riskier and should be carefully regulated. Yet Category B2 machines, where the player can stake up to £100 in ten pound increments and where the prize is £500, bring casino-style hard gaming to ordinary betting shops, whose business models are increasingly based on revenues from these machines. Bingo halls contain Category B3 machines with a stake of £2 and a prize of £500. The development of online and social gaming (see below) is also eroding the traditional distinction between 'safe' and 'risky' gambling environments.
  4. **Costs** – The charity Gamcare claims that every adult problem gambler in Great Britain represents an annual cost to society of approximately £8,000<sup>[6]</sup>. Based on a total of 450,000 adult problem gamblers, this equates to an annual cost to the British economy of £3.6bn. Problem gambling has serious repercussions for health and society; it is associated with anxiety, depression, suicide, crime and domestic violence.<sup>[7]</sup>

5. **Underage gambling** – Statistics show that approximately 60,000 12-15 year olds are problem gamblers.<sup>[8]</sup> Whilst evidence shows that early exposure to gambling can lead to problem gambling in later life<sup>[9]</sup>, there are no age restrictions for playing category D machines. But gambling on machines by children and young people is not just limited to legal gambling. The Gambling Commission's mystery shopping exercise in May 2009 showed that 98/100 high street bookmakers failed to prevent 17 year olds from placing bets. This figure dropped to 65% on re- testing, and a test in 2010 showed a failure rate of 26%. Despite the improvements, problems around underage gambling still exist.<sup>[10]</sup>
6. **Clustering of betting shops** – In some of the UK's most deprived areas, betting shops are increasingly common on local high streets. They can attract anti-social behaviour and fuel problem gambling. Betting shops share the same classification as banks, job centres and estate agencies which mean they can be converted without requiring planning permission. Bookmakers often evade the restriction on the number of gaming machines allowed in a single outlet (currently 4) by opening up additional shops within the same vicinity. Local authorities are unable to prevent bookmakers from opening up as many branches as they like. There is growing support for betting shops to be placed in a different planning use class and for local authorities to have powers to prevent the proliferation of new shops opening.
7. **Offshore gambling** – Currently operators based overseas which sell into the UK market are not regulated by the Gambling Commission. They avoid paying tax and are exempt from British regulatory requirements. It is regrettable that companies, such as Sky and William Hill, avoid regulation and taxation by operating from international bases. The government has introduced legislation requiring all operators selling into the UK market to have a Gambling Commission licence.<sup>[11]</sup> In addition the Treasury is planning to tax remote gambling at the place of consumption<sup>[12]</sup>.
8. **Funding of research, prevention and treatment** – The gambling industry contributes around £5 million a year to fund research, education and treatment into problem gambling. At the moment this is done through voluntary contributions, although the Secretary of State does have the power to impose a statutory levy if necessary. There are questions about whether the sums raised are adequate given the scale of the problem and the fact that the industry has a turnover of £8.7bn, and whether the distributor body, the Responsible Gambling Trust, will be independent and effective.<sup>[13]</sup>
9. **Advertising** – The 2005 Gambling Act gave greater scope for advertising of gambling activities by companies based in the UK, the EEA or in "white-listed countries". Whilst a "watershed" exists for broadcast advertising (other than for sports events), and advertisers are required to display the address for gambleaware.co.uk, there are still concerns about the impact of advertising in terms of normalising gambling particularly for younger people.<sup>[14]</sup> Softer forms of gambling such as bingo are allowed pre-watershed as programme sponsors on terrestrial television. Organisations such as BSkyB and ITV receive significant advertising income so this may be a useful basis for engagement. It would be useful to know what impact advertising has on gambling and particularly problem gambling. Promotion of free gambles should be strongly discouraged, particularly as they tend to appeal to children and encourage underage gambling.<sup>[15]</sup>
10. **Social gaming** – There is likely to be a huge explosion in gambling over mobile applications and particularly on social platforms over the next few years. Facebook already has two money gaming apps, and more are likely soon. There are also questions as to whether popular gaming apps are offering a gambling product. This is a growing area of concern<sup>[16]</sup>.
11. **Spread Betting** – Unlike other forms of gambling, spread betting is regulated by the Financial Conduct Authority (FCA). Spread betting is wagering on the outcome of an event, where the pay-off is based on the accuracy of the wager, rather than a simple "win or lose" outcome. A spread is a range of outcomes and the bet is whether the outcome will be above or below that spread. Spread betting has seen major growth in recent years, with the number of participants heading towards one million. Spread betting carries a high level of risk, with potential losses or gains far exceeding the original wager. Whilst spread betting is prevalent in sports market, it is also widely used to speculate against rising and falling share prices without any investment or stewardship context.
12. **Related issues** – As mentioned above, the Biblical principles of honest work for moderate income, not gaining at others expense, and shunning greed were the moral foundations of John Wesley's critique of some forms of gambling. While the issues are complex, there is scope to apply these principles more broadly to business ethics. It could be argued, for instance, that deeper parallels can be drawn between some aspects of the banking industry and the behaviour of problem gamblers. Engaging in repetitive high risk transactions for long periods of time, with the prospect of extreme profits are well established characteristics of problem gamblers. They also characterise aspects of the culture of the banking industry, notably of highly complex financial instruments including derivatives, and the compulsive nature of 'the deal'. The additional danger in the banking sector is the opportunity for those addicted to risk and the quest for excessive profit to

gamble with other people's money. Lessons learned from research into problem gambling might usefully be applied to certain forms of banking behaviour and used to mitigate risky speculation.

#### 4. Recent Church Policies

- 4.1. The Ethical Investment Advisory Group (EIAG) of the Church of England recommends against investment in any company, where a major part of its business activity or focus (defined as more than 25% of group turnover) is gambling.<sup>[17]</sup>

#### 5. CFB Precedent and Policy

- 5.1. The CFB abides by the biblical principle to encourage a concern for the vulnerable and oppressed. The CFB supports the ecumenical work of the Church to persuade the Government to take action to help reduce the number of problem gamblers. The CFB excludes companies principally involved in betting and gambling. In June 2011 following its admission to the FTSE All Share Index, Perform Group was added to the list of company exclusions. The CFB regularly monitors the small exposure to gambling at BSKyB via its online platform and raised the subject when it met with the company.<sup>[18]</sup>
- 5.2. In June 1992, Methodist Conference deplored the decision to introduce legislation to establish a national lottery on two grounds: that charities would suffer a decline in income, and that 'harm would be caused to individuals and families'. TScratch cards were singled out for particular criticism as the most likely to result in harm.
- 5.3. In October 1994, JACEI advised the CFB on three holdings that formed part of the Camelot Consortium that won the license to operate the National Lottery until 2001. These were Racal, Cadbury and De la Rue. JACEI advised disposal of Racal, which stood to gain the most from its investment in the consortium as provider of the communications network. JACEI was also conscious of Racal's links to defence. On balance, JACEI advised against disposal of the stakes in Cadbury and De la Rue, on grounds that the stakes were operationally and financially less material. Moreover, JACEI encouraged the CFB to use these stakes as a vehicle for engagement with the two companies on more responsible approaches to managing the Lottery in order to prevent harm.
- 5.4. In November 1994, Methodist Council issued advice for local, circuit and district bodies not to seek Lottery funding except in very particular circumstances (notably, enhancing its work alongside the poor), and this was endorsed by the 1996 Conference.
- 5.5. The 1995 Conference endorsed proposals for reforming the National Lottery put forward by the Council of Churches in Britain and Ireland that included raising the age of participation in the
- 5.6. By 1999, the position established of not seeking project funding from the Lottery had become a minority one, with Catholics, Anglicans and the Church of Scotland all relaxing their former opposition, The 1999 Conference adopted a Resolution allowing Church Courts to seek Lottery funding, whilst remaining sensitive to those members opposed to this source of funding.
- 5.7. The most recent [Statement issued by the Methodist Church on the National Lottery](#) was in 1999.
- 5.8. Given the increasing concern about the impact of problem gambling, there is a clear need for the CFB to engage proactively with those companies with a reasonable exposure to gambling.

#### 6. Recommendations For The CFB To Consider On Gambling Are:

- 6.1. As exposure to gambling rises, concern around the company would grow and there would need to be increasing engagement around corporate practices towards advertising, marketing, and the promotion of responsible gambling. If a company has a reasonable exposure but refuses to engage on these issues, there may be a question of whether it is suitable for investment.
- 6.2. Businesses that facilitate and target youth gambling should not be considered as suitable for investment, including organisations which operate amusement arcades and gambling activities that are accessible to children. Leisure and retail companies need close monitoring to assess the levels of their turnover that come from gambling activities.
- 6.3. Companies with moderate exposure to gambling should be encouraged to engage proactively with the impact of gambling advertising and sponsorship and monitor their exposure to gambling advertising revenue.
- 6.4. Companies linked with sporting advertising and sponsorship deals which expose children to the promotion of gambling should not be considered as suitable for investment.
- 6.5. Companies which have revenues from gaming machines, especially higher stake/prizes, should not be considered as suitable for investment.
- 6.6. Companies specifically engaged in the promotion of spread betting should not be considered as suitable for investment.
- 6.7. Engagement should be pursued with companies selling in to the UK market, but not licenced by the Gambling Commission, about the standards of regulation, until the primary legislation makes possession of a Gambling Commission licence mandatory for all operators selling into the UK. Companies involved in the promotion of 'soft' "forms of gambling such as lotteries and bingo, may be suitable for investment, but would be subject to engagement to understand their approach to marketing, promotion and advertising, and their support for responsible gambling initiatives. These should include research, education and treatment for problem gambling"
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## 7. References

1. British Gambling Prevalence Survey (2010:84)
2. See the Methodist Church and the Salvation Army's briefing Against The Odds (2009) for a current statement of hard and soft gambling [http://www.methodist.org.uk/downloads/pi\\_againsttheodds\\_1009.pdf](http://www.methodist.org.uk/downloads/pi_againsttheodds_1009.pdf)
3. The British Gambling Prevalence Survey 2010 contains recent statistics  
<http://www.gamblingcommission.gov.uk/PDF/British%20Gambling%20Prevalence%20Survey%202010.pdf>
4. <http://www.gamblingwatchuk.org/research-new/95-people-with-gambling-problems-are-making-a-massive-contribution-to-gambling-profits>
5. <http://www.legislation.gov.uk/ukxi/2007/2158/contents/made>
6. Gamcare (2011) Response to the Department for Education Review of Personal, Social, Health and Economics (PSHE) Education
7. Gamcare (2011) Response to the Department for Education Review of Personal, Social, Health and Economics (PSHE) Education; Gamcare (2010:5) Beating the Odds: Preventing Teenage Problem Gambling
8. Ipsos Mori (2009): "British Survey of Children, the National Lottery and Gambling 2008-09: Report of a quantitative survey", London NLC
9. Ipsos MORI, Underage Gambling in England and Wales: A research study among 11-16 year olds on behalf of the National Lottery Commission, June 2011, p.10
10. Ipsos MORI (2009): "British Survey of Children, the National Lottery and Gambling 2008-09: Report of a quantitative survey", London NLC
11. [http://www.culture.gov.uk/news/media\\_releases/8299.aspx](http://www.culture.gov.uk/news/media_releases/8299.aspx)
12. <http://www.bettingcorp.com/uk-plans-to-tax-remote-gambling-will-proceed/>
13. [www.gambleaware.co.uk/gambling-in-the-uk/](http://www.gambleaware.co.uk/gambling-in-the-uk/) In 2009 the industry generated £8.7 billion turnover.
14. Gamcare (2011) Response to the Department for Education Review of Personal, Social, Health and Economics (PHSE) Education, November 2011
15. Ipsos Mori (2012) Underage gambling in England and Wales
16. E.g. <http://www.olswang.com/articles/2012/07/social-gaming-on-a-collision-course-with-gambling-regulation/>
17. The Church of England Ethical Investment Advisory Group (2011), Statement of Ethical Investment Policy, November 2011
18. Report of the Joint Advisory Committee on the Ethics of Investment (JACEI) (2011) and (2012) Lottery to 18, restricting further involvement in the Lottery by the BBC, and ending the award of any further licenses for instant games (scratch cards).

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## 8. APPENDIX I

### 8.1. United Kingdom Statutory Gaming Machine Regulations

8.2. Under current regulations, gaming machines in the United Kingdom are differentiated by:

- the method of play, ranging from ‘one-armed bandits’ or crane-grabbers, to slot machines, to sophisticated virtual casino gambling machines
- The stakes and the prizes applicable to each machine
- The context in which gaming occurs
- A distinction between relatively ‘harder’ and ‘softer’ forms of gambling

8.3. It is recognised that some machines are potentially more addictive and risky than others. Electronic roulette games or those with high stakes, high prizes, rapid play and stimulation via visual features such as flashing lights appeal to gamblers. The Gambling Act 2005 created a framework so that the harder form of gambling machine would only be permitted in specific contexts such as casinos, amusement arcades. Venues easily accessible to children would only have the ‘softest’ machines; intermediate contexts such as bingo halls or ‘adult gaming centres’ would be categorised in the middle.

8.4. Accordingly, machines are regulated by stakes and prizes and by premises. The current rules as defined by the Gambling Commission are as follows<sup>[1]</sup>

Machine category	Maximum stake (from July 2011)	Maximum prize (from July 2011)	Where permitted
A	Unlimited	Unlimited	Super Casinos
B1	£2	£4,000	Casinos
B2	£100 (in multiples of £10)	£500	Arcades, betting premises, casinos
B3	£2	£500	Arcades, betting premises, bingo premises, casinos
B3A	£1	£500	Arcades, betting premises, bingo premises, casinos
B4	£1	£250	Arcades, betting premises, bingo premises, casinos, pubs, clubs, and other qualifying alcohol licensed premises
C	£1	£70	Arcades, betting premises, bingo premises, casinos, pubs (public houses), clubs, and other qualifying alcohol licensed premises
D non-money prize (other than crane grab machine)	30p	£8	Arcades, betting premises, bingo premises, casinos, pubs (public houses), clubs, and other qualifying alcohol licensed premises, travelling fairs
D non-money prize (crane grab machine)	£1	£50	As above
D money prize	10p	£5	As above

8.5. (Bold items show the highest category the premises are allowed to contain)

8.6. Category A was created specifically for the new super casinos as part of the provisions in the Gambling Act 2005. At present no super casinos have been built, so there are currently no Category A machines.

8.7. There are separate rules about the number of different kinds of machines allowed in premises. Large casinos can have up to 150 Category B machines in any combination and small casinos are permitted a machine to table ration of 2:1 with a maximum of 80 machines.

8.8. The older casinos regulated under the Gambling Act 1968 have no machine/table ratio, are permitted up to 20 machines in Categories B to D, or any number of C or D machines. Betting shops may contain up to 4 machines of Categories B2 to D.

- 8.9.** All the Category B machines are deemed suitable for casinos, while arcades and betting shops are allowed to contain machines of any category from B2 ‘downwards’. The categorisations from A to D originally represented a clearer distinction based on the ‘hardness’ of gaming. But since the Gambling Act 2005 there have been increases in stakes and prizes categories which have tended to erode the original framework.
- 8.10.** Category C represents traditionally ‘softer’ gaming machines, such as fruit machines or one-armed bandits. But the venues which can have C machines can also have B4 machines with a much higher prize payout.
- 8.11.** Category D represents the mildest machines, aimed at children. However, here it should be noted that the maximum value of crane-grab machines, for instance, is almost as high as the maximum prize for Category C machines (£50 versus £70)
- 8.12. Government Consultation on Stakes and Prizes**
- 8.13.** Following the Gambling Act 2005, it was planned that gaming machine stakes and prizes would be reviewed every three years. In practice there have been ad hoc increases in response to industry requests:
- 8.14.** 2009
- the stake and prize limits for Category C gaming machines were increased from 50p/£35 to £1/£70
  - stake and prize limits for crane grab machines and coin pusher machines were increased to £1/£50 and 10p/£15 respectively in order to boost revenues in seaside arcades.
- 8.15.** 2011
- maximum stake for category B3 gaming machines increased from £1 to £2
- 8.16.** This was followed in 2013 by the Triennial Review of Gaming Machine Stake and Prize Limits<sup>[ii]</sup>, which proposed four ‘packages’, i.e. options for specifying changes in gaming machine stakes and prizes
- Package 1: Do nothing (i.e. retention of the status quo)
  - Package 2: An uplift to stake and prize limits to cover inflation from 2007
  - Package 3: Proposals by the gambling industry;
  - Package 4: Government’s preferred options
- 8.17.** The consultation secured over 9,500 responses including a submission from the Methodist Church. The Government’s overall approach supports ‘strong encouragement’ to the industry to make ‘demonstrable progress’ on player protection in order to accommodate significant uplifts in stakes and prize limits. The Government was minded to support increases in stakes and prize limits in some categories (e.g. B1), provided any ‘additional risk is mitigated through the development, trialling and evaluation of improved harm mitigation measures’.
- 63% of respondents rejected the status quo against any increase in any category
  - 74% of respondents rejected increases in line with inflation
  - 50% of respondents were content to increase some stake and prize limits in accordance with Government proposals, whilst 20% were not
  - The Government’s preferred option was supported by a wide range of respondents, particularly increases in the B1, B3A, B4 and C categories
  - There were more concerns voiced against increases to Category D machines owing to the perceived harmful effect on children
  - Category B2 machines remain controversial and the Government has suspended a decision pending more work
- 8.18.** The Government’s preferred options are broadly compatible with the gambling industry’s suggestions, only showing caution regarding prizes for Category B3A machines and Category D, crane grabbers.
- 8.19.** The Methodist Church along with the Baptist Union of Great Britain and the United Reformed Church, argued in their submission to the Triennial Review that previous increases in stakes and prizes had not been justified on an evidence basis and that there should be no blanket presumption that increases are necessarily justified. In particular, the stake from Category B2 machines should be reduced from £100 to £2, the maximum for other Category B machines.<sup>[iii]</sup>

**8.20.** The table below shows the Government’s final recommendations, which are awaiting legislative implementation in early 2014. These are virtually identical to the preferred package described in the consultation document, with two noteworthy exceptions:

- Further work is being done on the controversial Category B2 machines.
- The Government has decided against its proposed increases in stakes and prizes for Category D money prize and crane grabber machines. This shows a welcome recognition of the potential of these machines to lead to increased gambling and problem gambling by children.

Category	Current max stake	Current max prize	Max stake: Preferred option	Max. prize: Preferred option
B1	£2	£4,000	£5	£10,000 (with the option of a maximum £20,000 linked progressive jackpot on a premises basis only)
B3	£2	£500	£2	£500
B3A	£1	£500	£2	£500
B4	£1	£250	£2	£400
C	£1	£70	£1	£100
D non money prize (other than crane grab)	30p	£8	30p	£8

## 9. References

1. [http://www.gamblingcommission.gov.uk/gambling\\_sectors/gaming\\_machines/about\\_gaming\\_machines/gaming\\_machine\\_categories.aspx](http://www.gamblingcommission.gov.uk/gambling_sectors/gaming_machines/about_gaming_machines/gaming_machine_categories.aspx)
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3. <http://www.jointpublicissues.org.uk/wp-content/uploads/Response-to-Triennial-Review-of-Gaming-Machine-Stake-and-Prize-Limits.pdf>