

GAMBLING (CATEGORISATION AND USE OF B2 GAMING MACHINES) BILL [HL]

EXPLANATORY NOTES

What these notes do

These Explanatory Notes relate to the Gambling (Categorisation and Use of B2 Gaming Machines) Bill [HL] as introduced in the House of Lords on 3 June 2015 (HL Bill 24).

- These Explanatory Notes have been prepared by Lord Clement-Jones in order to assist the reader of the Bill and to help inform debate on it. They do not form part of the Bill and have not been endorsed by Parliament.
- These Explanatory Notes explain what each part of the Bill will mean in practice; provide background information on the development of policy; and provide additional information on how the Bill will affect existing legislation in this area.
- These Explanatory Notes might best be read alongside the Bill. They are not, and are not intended to be, a comprehensive description of the Bill.

Background

- 1 Research commissioned on behalf of the the Campaign for Fairer Gambling estimated that the likely number of gamblers who experienced problems as a result of fixed-odds betting terminals (FOBTs), known as category B2 gaming machines, was in excess of 43% in 2012/3. ¹ In the 2013 Consultation on Proposals for Changes to Maximum Stake and Prize Limits for Category B, C and D Gaming Machines, a number of organisations recommended that there should be a reduction in the maximum stake, some specifically to £2. The recommendation was not adopted. This Bill seeks to reduce the stake money for B2 machines to a maximum of £2 from a maximum of £100.

Legislative Background

- 2 Part 10 of the Gambling Act 2005 sets out the current legislation on gaming machines, which extends to England, Wales and Scotland. A number of regulations also apply.
- 3 Regulation 5 of the Categories of Gaming Machine Regulations 2007 (SI 2007/2158) defines Category B machines. Regulation 5(5) provides that for these machines the “maximum charge for use” (or stake) must be no more than £100 (sub-paragraph (a)) and the maximum prize must be no more than £500 (sub-paragraph (b)).
- 4 Regulation 7 of the Gaming Machine (Circumstances of Use) Regulations 2007 (SI 2007/2139) sets limits for how much money can be deposited in a gaming machine. It provides that up to £100 can be deposited in B1, B2 and B3 machines under certain conditions. The Gaming Machine (Circumstances of Use) Regulations 2015 amended the Gaming Machine (Circumstances of Use) Regulations 2007 by inserting Regulation 11A which provided that an individual may not be charged more than £50 (outside of a casino) unless various conditions were met.

¹ Fixed Odds Betting Terminals, Problem Gambling and Deprivation: A Review of Recent Evidence, Howard Reed, Landman Economics, 2014, page 9. Research commissioned by the Campaign for Fairer Gambling.

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Commentary

Clause 1: Categorisation of B2 gaming machines

- 5 Subsection (1) provides for the Categories of Gaming Machine Regulations 2007 (S.I. 2007/2158) to be amended.
- 6 Subsection (2) amends regulation 5(5)(a) so that the maximum charge for use (stake) would be no more than £2.
- 7 Subsection (3) adds a new regulation, 5A, which sets out that the stake money for B2 machines shall be reviewed every three years and may be amended in line with inflation.

Clause 2: Use of B2 gaming machines

- 8 Clause 2 sets out consequential amendments to the lowering of the maximum charge in Clause 1. It removes the provisions of the Gaming Machine (Circumstances of Use) Regulations 2015 regulations, since this Bill provides for a maximum stake of £2 under Clause 1. This Bill removes associated references to 11A.

Clause 3: Extent, commencement and short title extent

- 9 Clause 3 sets out that the Act will extend to England, Wales and Scotland and will come into force three months after the Bill is passed.

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