

Title: Online Slots Stake Limit RPC Reference No: RPC-DCMS-5282(1) Lead department or agency: Department for Culture, Media and Sport Other departments or agencies: N/A	Impact Assessment (IA) Date: 18/07/2023 Stage: Consultation Source of intervention: Domestic Type of measure: Secondary Contact for enquiries: Mack Madley
Summary: Intervention and Options	RPC Opinion: Green

Cost of Preferred (or more likely) Option (in 2019 prices)			
Total Net Present Social Value	Business Net Present Value	Net cost to business per year	Business Impact Target Status
No preferred option	No preferred option	No preferred option	Qualifying provision

What is the problem under consideration? Why is government action or intervention necessary?

Evidence suggests that online slots have a strong association with harmful gambling behaviour, however they are currently subject to relatively few controls. Land-based gaming machines, which offer similar products, have statutory limits on structural characteristics (including stake size). The ability of operators to offer and for customers to play at theoretically limitless slots stakes likely contributes to the associative indicators of gambling harm (notably unaffordable spend and binge gambling). Without intervention these harms may grow in the future as the gross gambling yield for online slots continues to increase. The most effective and appropriate way to set a stake limit would be for government via affirmative regulations so as to allow Parliamentary scrutiny and ensure universal application of limits across operators.

What are the policy objectives of the action or intervention and the intended effects?

An objective of an online slot stake limit is to decrease the intensity of losses, through the creation of a theoretical cap on losses per given time period. Due to the associative harm within the current environment, the intended outcome is to make it harder for those suffering gambling harm to incur runaway losses. The success of this measure would crystallise in a decrease in the average session loss for those at risk of gambling harm. A further indicator of success would be a reduction in the association between online slots play and reporting harm in problem gambling screens, and a fall in the prevalence of those citing online slots as their primary issue when seeking treatment for gambling related harm. These will need to be considered alongside the wider impact of new measures following the review of the Gambling Act 2005.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

- **Option 0 - do nothing:** online slots continue to have no statutory limits set on staking and the associative harmful gambling behaviour within online slots likely worsens in line with the product's gross gambling yield.
- **Option 1 - a flat statutory limit for online slots (preferred way forward).** This approach would reduce associative indicators of harm, is relatively easy for operators to implement, simple for customers to understand, guarantees consistency across the sector, and can be implemented relatively quickly through secondary legislation. In this Impact Assessment, we have modelled the impacts from £2, £5, £10 and £15 limits, as well as (where applicable) £2, £4 and bespoke risk-based limits for 18-24 year

olds. The likelihood of these options achieving the policy objectives are discussed, however there is not a preferred option ahead of consultation.

Is this measure likely to impact international trade and investment?		No		
Are any of these organisations in scope?	Micro Yes	Small Yes	Medium Yes	Large Yes
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)		Traded:	Non-traded:	
Will the policy be reviewed? It will be reviewed. If applicable, set review date: N/A				

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible :



Date:

18/07/2023

Alex Wilkinson -
Director of Analysis

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1.0 Policy Rationale

Policy background

- 1.1. In December 2020, the government launched the Review of the Gambling Act 2005 with the publication of the Terms of Reference and Call for Evidence¹. The Review was set up to ensure our gambling laws are fit for the digital age and is the broadest examination of the regulatory framework for gambling since the Gambling Act 2005.
- 1.2. The Terms of Reference said that the government's three objectives for the Act Review were to:
 - Examine whether changes are needed to the system of gambling regulation in Great Britain to reflect changes to the gambling landscape since 2005, particularly due to technological advances
 - Ensure there is an appropriate balance between consumer freedoms and choice on the one hand, and prevention of harm to vulnerable groups and wider communities on the other
 - Make sure customers are suitably protected whenever and wherever they are gambling, and that there is an equitable approach to the regulation of the online and the land-based industries.
- 1.3. This impact assessment considers the case for introducing a maximum stake limit for online slots following the policy intention outlined in the April 2023 gambling white paper². It is being published alongside a public consultation on policy options.
- 1.4. Gross Gambling Yield (GGY) represents the amount retained by an operator after prizes are paid. Online slots have significantly grown in recent years, from £1.56bn GGY in the year to March 2016 to £3.00bn GGY in the year to March 2022.
- 1.5. Aside from the growth in online slots, online gambling has also increased. In the year to March 2016, remote GGY accounted for 44% of total GGY³. In the year to March 2022, remote GGY accounted for 65% of total GGY⁴.
- 1.6. The pandemic accelerated the long running shift from in person to remote gambling, with 81% of total GGY in March 2021 deriving from remote GGY. This trend has reversed slightly in the year to March 2022, but the share of total GGY made up by remote gambling remains substantially higher than pre-pandemic levels.
- 1.7. As of 2021/22, online slots GGY corresponded to 47% of all GGY derived from remote betting and gaming, and over three quarters of all remote casino GGY.

Problem under consideration

¹<https://www.gov.uk/government/publications/review-of-the-gambling-act-2005-terms-of-reference-and-call-for-evidence/review-of-the-gambling-act-2005-terms-of-reference-and-call-for-evidence#terms-of-reference>

² <https://www.gov.uk/government/publications/high-stakes-gambling-reform-for-the-digital-age>

³ This excludes GGY from the National Lottery and society lotteries.

⁴ <https://www.gamblingcommission.gov.uk/statistics-and-research/publication/industry-statistics-november-2022>

The current gaming landscape

- 1.8. While online slots are a broadly recognised category of product among stakeholders, they are not formally defined in the legislation. The Gambling Commission has defined them as “casino games of a reel-based type (includes games that have non-traditional reels)” in the Remote Technical Standards (‘RTS’) since October 2021.
- 1.9. As part of the consultation, we welcome respondents’ views on the description of online slots, stakes and game cycles being relevant for introducing a maximum stake limit. These questions can be found in Annex II of this document.
- 1.10. There is evidence that online slots are associated with particular risks of harm to consumers compared to other forms of gambling. Their design and delivery is currently subject to relatively few controls. This is in contrast to the land-based sector, where electronic gaming machines (offering games which are otherwise similar to online gaming products) are subject to statutory limits on a range of structural characteristics, including stake size (see Table 1 below).
- 1.11. In line with the government’s objectives for the review as outlined above, we are seeking to address the risk of harm posed by these products, whereby there currently exists an inequitable regulatory approach between the online and land-based equivalents.

Table 1: Stake Limit on Gaming Machines and Online Slots

Machine Category/Gaming Product	Maximum Stake	Maximum Prize	Permitted Locations
A	Unlimited	Unlimited	Currently not permitted
B1	£5	£10,00 - £20,000 ⁵	2005 Act and 1968 Act casinos
B2	£2	£500	2005 Act and 1968 Act casinos, Betting shops, Tracks with pool betting
B3	£2	£500	2005 Act and 1968 Act casinos, Betting shops, Tracks with pool betting, Bingo premises, Adult Gaming Centres
B3A	£2	£500	Members’ clubs or Miners’ welfare institutes
B4	£2	£400	2005 Act and 1968 Act casinos, Betting shops, Tracks with pool betting, Bingo premises, Adult Gaming Centres, Members’ clubs, Miners’ welfare clubs or Commercial clubs
C	£1	£100	2005 Act and 1968 Act casinos, Betting shops, Tracks with pool betting, Bingo premises, Adult Gaming Centres, Members’ clubs, Miners’ welfare clubs or Commercial clubs, licensed FECs, Pubs

⁵ Maximum Prize for B1 machines is £10,000 - with the option of a maximum £20,000 linked progressive jackpot on a premises basis only

D	10p - £1	£5 - £50	Tracks with pool betting, Bingo premises, Adult Gaming Centres, Members' clubs, Miners' welfare clubs or Commercial clubs, licensed FECs, Pubs, Travelling fairs, Unlicensed FECs with a permit
Online Slots	Unlimited	Unlimited	Licensed Remote Gaming Operators

Online Slots and Gambling Harm

- 1.12. Whilst methodologies within population surveys differ, most use the Problem Gambling Severity Index (PGSI) or the Diagnostic and Statistical Manual of Mental Disorders (DSM-IV) screen to measure the prevalence of problem gambling⁶.
- 1.13. The Health Survey for England 2021 finds that, using PGSI scores, 0.3% of adults in England were identified as experiencing problem gambling. A further 2.5% were identified as gambling at elevated levels of risk⁷. This includes those categorised as 'low risk', who may not be suffering harm but occasionally engage in potentially harmful behaviours such as chasing losses, and as 'moderate risk', who may suffer some negative consequences such as having to gamble larger and larger amounts to get the thrill or feeling guilty about gambling.
- 1.14. Even though adult Population Problem Gambling rates have remained broadly steady around or below 1% for over 20 years, this does not fully contextualise the harm that is being experienced. Firstly, Population Problem Gambling Rates have been calculated using varying methodologies, and therefore are not always comparable from period to period. Moreover, population rates do not provide counterfactuals to what problem gambling rates would be without government intervention.
- 1.15. Another issue is measuring harm in Population Problem Gambling rates is that of "statistical power". A survey measuring population problem gambling rates would need a very large sample size to detect a statistically significant movement in this headline measure. Therefore, whilst gambling harm from this headline measure has remained stable at the surface level, the nature of gambling harm has likely changed with the channel shift to online gambling (beyond what can be inferred about gambling harm from population level problem gambling rates).
- 1.16. While individual characteristics, provider actions and the gambling environment are relevant, evidence suggests that the products gamblers use and their structural characteristics are also a key factor in understanding problem gambling and related harm⁸. Online slots include many of the structural characteristics known to be associated with increased risk of harm to consumers. These include, for example, the opportunity for high stakes; high speed, repetitive and continuous play; near misses and high or variable frequency of prize payouts.

⁶ <https://www.gamblingcommission.gov.uk/statistics-and-research/publication/problem-gambling-screens>

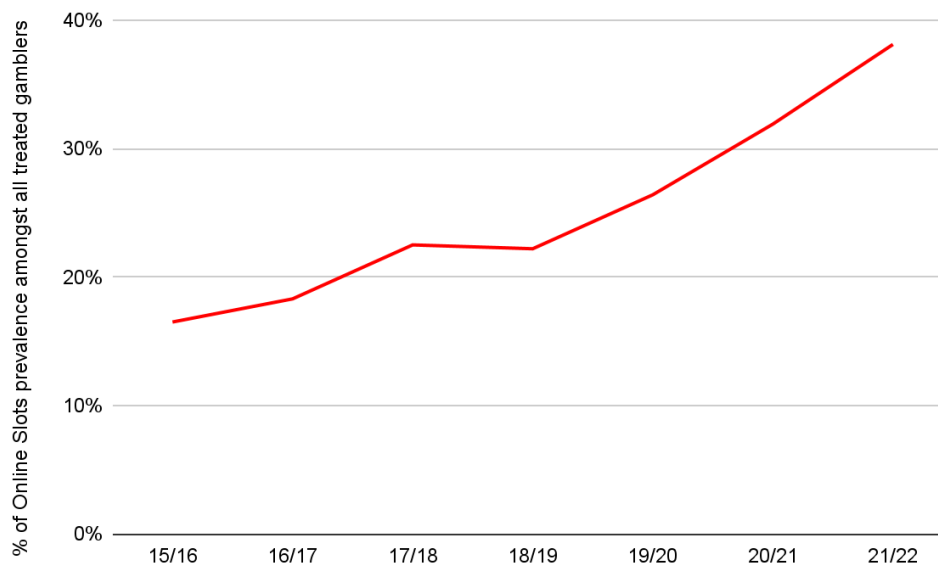
⁷ <https://digital.nhs.uk/data-and-information/publications/statistical/health-survey-for-england/2021-part-2/gambling#prevalence-of-at-risk-and-problem-gambling-dsm-iv-and-pgsi-scores>

⁸ Allami Y, Hodgins DC, Young M, et al. (2021). A meta-analysis of problem gambling risk factors in the general adult population. *Addiction*. 116(11):2968-2977

- 1.17. Problem and at-risk gambling prevalence among those who play online slots are notably, and consistently higher than for most other product types. According to PHE's amalgamation of health survey data over the last two decades, problem gambling prevalence within participation in online slots, casino and bingo games is 8.7%. They also found a 44.2% prevalence of at-risk gamblers among those participating in online slots, casino and bingo games.
- 1.18. When the British Gambling Prevalence Survey in 2010⁹ disaggregated online slots from casino games, it showed 17.0% of regular (at least monthly) gamblers playing slots and online instant wins were experiencing problem gambling, compared to 13.9% of regular gamblers playing casino games (online and offline).
- 1.19. Further evidence on the scale and changing nature of harms comes from those seeking treatment for gambling related harms. In 2015/16, 16.5% of National Gambling Treatment Service (NGTS) patients reported participating in online slots, but that figure has risen to 38.1% for 2021/22¹⁰.

Figure 1: Trend of participation in online slots amongst National Gambling Treatment Service clients

National Gambling Treatment Service - Trend in Online Slot participation amongst all treatment clients



- 1.20. In the same period, no other product saw changes in participation rates among NGTS users on that scale. Online sports betting increased from 20.8% in 2015/16 to 26.9% in 2020/21, however has subsequently fallen to 20.1% in 2021/22. Only two other activities saw increases in participation rates among NGTS users from 2015/16 to 2021/22: online bingo and 'other' online activities. These rates increased by around 25%, compared to 230% for online slots. This suggests the increased engagement in online slots among Treatment Service users, many of whom are experiencing problem gambling, is

⁹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/243515/9780108509636.pdf#page=96

¹⁰https://www.begambleaware.org/sites/default/files/2022-11/202216_GA_Annual%20stats_report_English_v4.pdf#page=47

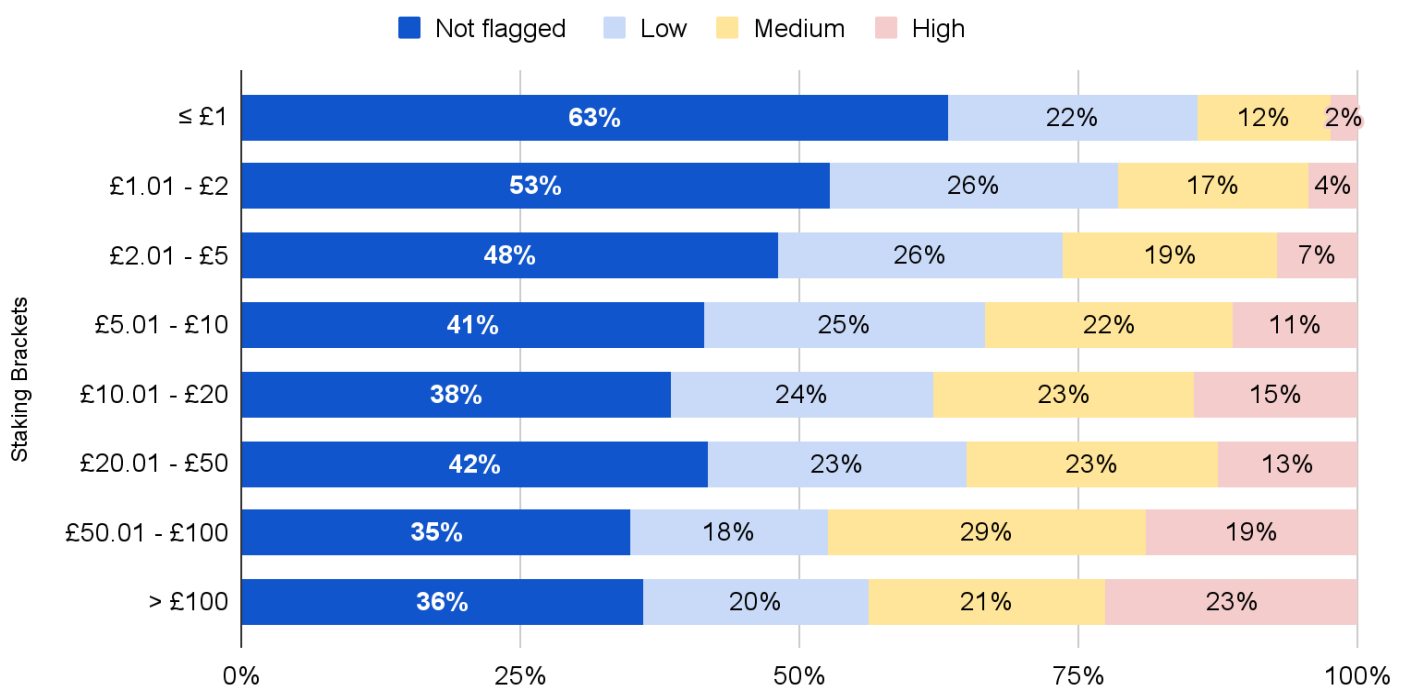
exceeding that which might be explained by the wider channel shift from land-based gambling to online.

Indicators of Harm amongst Online Slots Data

- 1.21. More than any other online product type, slots are also associated with extreme gambling activity, and have a number of links with unaffordable spend and binge gambling which constitute 'indicators of harm' outlined by the Gambling Commission in their Customer Interaction Guidance¹¹.
- 1.22. The GGY derived from online slots is concentrated in a minority of very heavy spenders, with 1% of accounts providing over 40% of slots GGY¹². Over 70% of online gaming sessions on a single product type that lasted over 3 hours were on slots¹³, and online slots had the highest proportion of players (5.5%) who ever played for longer than three hours¹⁴. From April 2022 to March 2023, there were over 34 million slots sessions that lasted over an hour. Additionally, the Commission's research into why consumers gamble found that of the 14% of past month gamblers who reported binge gambling, 24% had done so on online slots - more than any other gambling activity, including online casino games¹⁵.
- 1.23. Online gambling data from 2017¹⁶ indicated that there was a 'clear tendency for there to be a higher proportion of heavy player losses in slots play than in non-slots play' (casino games excluding poker). The study found that over the course of January 2017, there were 22,080 individuals losing in excess of £1,000 on slots, while for non-slots play, there were 10,373 customers losing in excess of £1,000.
- 1.24. An April 2021 data request sought to understand the association between online staking behaviour and harm (measured through operator assigned risk score as the best available proxy). See Figure 2 below, which demonstrates the proportion of staking events at each staking level by where the consumer was flagged by a Safer Gambling algorithm.

Figure 2: % of spins by stake size and operator assessed harm detection score

Source: Gambling Commission Data request April 2021



- 1.25. Further analysis of the staking event data itself demonstrated that across all risk groups, the majority of staking takes place at low values: of all stakes by high and medium risk accounts, 87% and 93% respectively were below £2. Nonetheless, accounts flagged as high and medium risk account for a greater proportion of stakes in higher value staking bands. For example, high and medium risk accounts placed 37.4% of stakes over £10, which given only 2.4% of players were flagged as medium or high risk highlights their overrepresentation among high stakers.
- 1.26. It is important to caveat that this overrepresentation doesn't evidence a causal relationship between high stakes and harm. As previously mentioned, all operators have different approaches to ascribing risk scores, so findings will vary by operator. Moreover, account risk scores are determined by activities across products, not just online slots. However, there is a clear overrepresentation of high and medium risk accounts at higher stake brackets.
- 1.27. Much of this evidence is correlative, and does not establish a causal role of online slots in harmful gambling. **However, the weight of evidence of harm within online slots, and the exacerbation of this risk by the current opportunities for high stakes play, is sufficient to justify action.**
- 1.28. Therefore, the problem under consideration is: **harmful gambling associated with online slots at higher stake limits.**

Online Slots and Young Adults

- 1.29. Alongside the general evidence on the risks posed by online slots, there is evidence that people under 25 years old are generally more vulnerable to gambling-related harms than the wider population. In the latest Gambling Commission participation survey¹⁷, the problem gambling rate for 16 to 24 year olds (1%) was higher than the headline problem gambling rate (0.3%), although we note under 18s are not legally able to access online slots games.
- 1.30. PHE's evidence review¹⁸ also highlights a higher problem gambling and at risk rate among younger age groups than older age groups. A cross-sectional research study¹⁹ also found an association between suicide attempts in 16 to 24 year olds and problem gambling, even after adjustment for other factors.
- 1.31. A number of factors may be at play here. For instance, neurological research²⁰ shows cognitive development continuing up to the age of 25, and there is evidence that young adults may still be developing capacity to regulate impulses and make more rational decisions²¹. Other evidence suggests adolescents have a greater risk tolerance²²

¹⁷<https://www.gamblingcommission.gov.uk/statistics-and-research/publication/statistics-on-participation-and-problem-gambling-for-the-year-to-march-2023>

¹⁸ <https://www.gov.uk/government/publications/gambling-related-harms-evidence-review>

¹⁹ [https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667\(20\)30232-2/fulltext#seccestitle10](https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667(20)30232-2/fulltext#seccestitle10)

²⁰Giedd JN, Blumenthal J, Jeffries NO, et al. (1999). Brain development during childhood and adolescence: a longitudinal MRI study. *Nat Neurosci*. 2(10):861-863

²¹Arain M, Haque M, Johal L, et al. (2013). Maturation of the adolescent brain. *Neuropsychiatr Dis Treat*. 9:449-461

²² <https://research.cornell.edu/news-features/how-we-make-decisions-and-take-risks>

compared to older adults and this may be reflected in their attitudes towards gambling specifically²³. **Therefore, as part of the consultation on online slot stake limits, specific consideration is being given to options to enhance protections for young adults aged 18-24.**

Rationale for intervention

Existing Slot Interventions Introduced by the Gambling Commission

1.32. The Gambling Commission introduced new rules for online slot design as part of their Remote Technical Standards in October 2021²⁴. These aimed to limit some of the characteristics of online slots that are associated with harmful gambling behaviour. This included: a limit on play speed to a minimum of 2.5 seconds per spin, a ban on losses disguised as wins, and a ban on features that increase the intensity of play or give an illusion of control. Slots must also display the money and time spent during a session.

1.33. The Gambling Commission recently published an assessment of the key impacts on consumer behaviour from these measures²⁵. The key findings were:

- Reduced play intensity. Compared to six months prior to the changes, there was a small decline in the proportion of accounts experiencing a monthly loss of over £50, over £200 and over £1000 six months after the changes. For stake sizes more than £2, there was a reduction of over 165 million spins (0.6 percentage points). This reduced play intensity occurred with no discernible detrimental influence on total enjoyment.
- Reduced 'binge gambling' on slots games. The proportion spending more on online slots than they can afford to lose decreased slightly, with a significant decline in the proportion of past four-week slot players stating that they had spent more than they can afford to lose at least sometimes (56% prior to the changes, 48% after the changes).
- Reported consumer awareness of time and money spent while playing slots did not change and remains high.
- The ability of gamblers to stay within their intended play duration did not change significantly.

1.34. The report compares data from a sample of gambling businesses collected six months prior to the changes and six months after the changes. However, many of these measures were adopted voluntarily in 2020 and so this report does not capture the full impact of the changes. The Betting and Gaming Council (BGC) has also provided us with an informal evaluation of some of these measures which were voluntarily adopted by most operators in September 2020²⁶.

- BGC found average spin intervals increased by 12% (from 6.3 seconds per spin to 7.1 seconds), while the number of spins faster than 3 seconds fell by 92%

²³<https://www.gamblingcommission.gov.uk/statistics-and-research/publication/exploring-the-gambling-journeys-of-young-people>

²⁴<https://www.gamblingcommission.gov.uk/licensees-and-businesses/guide/remote-gambling-and-software-technical-standards>

²⁵<https://www.gamblingcommission.gov.uk/report/assessment-of-online-games-design-changes/assessment-of-online-games-design-changes-executive-summary>

²⁶<https://bettingandgamingcouncil.com/uploads/Downloads/BGC-CODE-OF-CONDUCT-GAME-DESIGN.pdf#page=4>

- The average amount staked by day fell by 20% while the average total loss per player fell by 35%, from 51p to 33p
- They also saw a reduction in average session length, number of spins per session and % of individual game sessions lasting over 60 minutes

- 1.35. These interim metrics cannot be correlated with an impact on problem gambling rates and do not contain analysis of these measures in comparison to a counterfactual (what would have happened if these measures hadn't been introduced).
- 1.36. While these new rules mirror many of the existing controls already applied to land-based electronic gaming machines and the evaluation suggests they have been at least in part successful in delivering a moderation in play, the lack of any limit on online stake size remains a significant point of divergence between controls on online slots and land based counterparts. Stake size can be a key determinant of losses and gambling related harm and, though the Commission supports the introduction of a stake limit on online slots²⁷, the most effective and appropriate way to set a stake limit would be for government via affirmative regulations so as to allow Parliamentary scrutiny and ensure limits are applied universally.

Existing Online Slots Research

- 1.37. Previous studies have explored the impact of gamblers selecting different stake sizes. Parke et al. (2014)²⁸ found that higher stake sizes can increase the levels of arousal and excitement gamblers experience, due to the increase of the reward of winning. In turn, this can increase the level of negative emotions individuals experience when losing, which in turn can encourage loss-chasing. Bouchouicha et al. (2017)²⁹ found that higher stake sizes lead to more frequent and larger swings in individuals' wins and losses while playing, which can make it harder for individuals to predict and manage their gambling budgets.
- 1.38. Furthermore, given the statistically adverse odds on online slots machines, higher stakes by definition lead to larger losses when playing for longer periods. A study by Auer and Griffiths (2013)³⁰ examined differences in stake sizes among different individuals who gamble and found that individuals with gambling issues on average bet with higher stake sizes, indicating a relationship between stake size and problem gambling.
- 1.39. There has been existing, although limited, research about the role that stake limits can have in reducing gambling related harm. Parke et al. (2014) found initial evidence that gambling on a virtual roulette simulation at a higher stake can impair decision making

²⁷ <https://www.gamblingcommission.gov.uk/about-us/guide/page/package-of-recommendations-for-government>

²⁸ Parke, A.J., Harris, A., Parke, J. and Goddard, P. (2014). The Role of Stake Size in Loss of Control in Within-Session Gambling: Impact of Stake Size on Reflection Impulsivity, Response Inhibition and Arousal when Gambling on a Simulated Virtual Roulette Gambling Task: Implications for Gambling Related Harm. London: Responsible Gambling Trust

²⁹ Bouchouicha, R., Martinsson, P., Medhin, H. et al. (2017). Stake effects on ambiguity attitudes for gains and losses. *Theory Decis* 83, 19–35

³⁰ Auer, M., & Griffiths (2013). Limit setting and player choice in most intense online gamblers: an empirical study of online gambling behaviour.

quality, which in turn may reduce self-control when gambling. An Australian study (Blaszczynski et al., 2001³¹) involving the use of specially modified EGMs tested modifications including a stake reduction from \$10 to \$1. These machines were tested in natural environments and the study found that stake reduction appeared to be effective in reducing session length and money spent by people experiencing problem gambling, while only slightly impairing the satisfaction of play for gamblers unaffected by problem gambling. Sharpe et al. (2005)³² replicated this finding and found that modified EGMs with a \$1 stake limit reduced session length, total number of bets placed and session losses. However, there were limitations in these studies when controlling for displacement to other land-based gaming machines, and they were clearly conducted in a non-remote environment where different factors may have been at play.

Previous stake-related Interventions and Voluntary interventions

- 1.40. In 2018, the government introduced legislation to reduce the maximum permitted stake on B2 gaming machines from £100 to £2³³. This came into force in April 2019. However, the temporary closure of land-based gambling venues in 2020 due to national lockdowns severely disrupted the play on B2 gaming machines, making it difficult to isolate the impact of this measure on gambling behaviour and harm. Internal analysis was undertaken by the Department for Culture, Media and Sport, to assess how gambling behaviour and revenue changed between April 2019, when the measure was implemented, to March 2020, when lockdowns began found that:
- Following the stake cut, there was a 99% (£1.16 billion) fall in B2 GGY and a withdrawal of B2 gaming machines from the market³⁴. It is likely that the reduction in industry GGY and withdrawal of such machines resulted from the stake cut. The reduction in B2 GGY saw overall gaming machine GGY fall 29%.
 - Since B2 machines were largely withdrawn from the market, we know that participation on B2 gaming machines fell sharply, although we do not have exact participation statistics. The impact on gambling harm was less clear. An assessment of GGY for other similar products suggests there was no large-scale move to either B3 machine gaming or online gambling. While B3 machine gaming GGY increased, it did not directly replace B2 GGY in the year after the stake cut, suggesting that there was not a direct switch to B3 from B2 machine gaming. While online GGY increased following the stake cut, the increase follows an overall rising trend in online GGY prior to 2019.
- 1.41. No further evaluation has been undertaken given data limitations and challenges arising from COVID-19 lockdowns and subsequent changes in gambling behaviour.
- 1.42. Despite the limitations in findings from the B2 stake cut, there are significant differences with introducing a stake limit for online slots. Firstly, within the B2 intervention there was a maximum stake reduction from £100 to £2, which is in contrast to the absence of any

³¹Blaszczynski, Alex & Sharpe, Louise & Walker, Michael. (2001). The Assessment of the Impact of the Reconfiguration on Electronic Gaming Machines as Harm Minimisation Strategies for Problem Gambling.

³² Sharpe, L., Walker, M., Coughlan, M. J., Enersen, K., & Blaszczynski, A. (2005). Structural changes to electronic gaming machines as effective harm minimization strategies for non-problem and problem gamblers. *Journal of gambling studies*, 21(4), 503–520.

³³ <https://www.legislation.gov.uk/ukxi/2018/1402/contents/made>

³⁴ <https://www.gamblingcommission.gov.uk/statistics-and-research/publication/industry-statistics-november-2021>

statutory stake limit in online slots. Secondly, the B2 stake cut saw supply-side effects and migration to B3 gaming machines, whereas there are no variants of online slots games that would be exempt from the stake limit and attract player migration, aside from those offered by unlicensed operators.

- 1.43. Some online operators have also already voluntarily introduced a maximum stake limit for online slots, either in response to certain triggers of risk or as a universal preventative measure. For example, Flutter introduced a maximum stake for slots games of £10 across all brands in 2021, reflecting its data that £10 was an inflection point where customer risk levels started to increase sharply. According to data provided by Flutter, this measure impacted the small percentage (4%) of customers who staked at £10 or more on online slots in the year prior to the implementation of measures. It also found that following the implementation of the £10 limit, the number of stakes between £5 and £10 increased, suggesting many players simply reduced the stakes they played with, but may have moderately increased their number of spins to stake the same amount overall. In Flutter's experience there was no evidence of displacement to other products, but they estimate approximately a quarter of the revenue derived from stakes over £10 was lost, with customers going either to other licensed operators or the black market. It should be noted that a range of other safer gambling measures, such as account level controls and the online slots game design rules, were introduced over this period making it difficult to measure the impact of stake limits in isolation.

Market Failures

- 1.44. As discussed, the current opportunities for high-stakes play exacerbate the risks of associative gambling harm. Below we discuss the various market failures within harmful gambling behaviour generally, before summarising the overall rationale for introducing a maximum stake limit for online slots.

Demerit goods

- 1.45. A demerit good is a good which has a negative impact on the consumer. Harmful gambling is a demerit good, in that it incurs associated individual costs. 'Problem gambling' by definition is gambling to a degree that compromises, disrupts or damages family, personal or recreational pursuits³⁵. This can include negative mental health effects, financial problems and impaired relationships with others, among other impacts.
- 1.46. There is a widely accepted association between gambling harm and negative mental health effects. The NHS Adult Psychiatric Morbidity Survey 2007³⁶ found that problem gambling was strongly correlated with Antisocial Personality Disorder and weakly correlated with a range of other mental health conditions as well as attempted suicide.
- 1.47. The National Gambling Treatment Service annual statistics for 2020/21³⁷ show that from a sample of 7,072 English residents who were treated within gambling services that report to the Data Reporting Framework:

³⁵<https://www.gamblingcommission.gov.uk/statistics-and-research/publication/problem-gambling-vs-gambling-related-harms>

³⁶<https://digital.nhs.uk/data-and-information/publications/statistical/adult-psychiatric-morbidity-survey/adult-psychiatric-morbidity-in-england-2007-results-of-a-household-survey#resources>

³⁷ https://www.begambleaware.org/sites/default/files/2022-11/202216_GA_Annual%20stats_report_English_v4.pdf

- 63% had debts due to gambling (with the remaining 37% not reporting any gambling debt at that time)
- 11% had experienced a job loss because of their gambling
- 26% had experienced a relationship loss

1.48. Finally, Public Health England's gambling-related harms evidence review³⁸ conducted a systematic review of the existing academic evidence to identify and examine the potential harms associated with gambling. It reported evidence of an association between gambling harm and harmful use of drugs, alcohol dependence, being unemployed and having no educational qualifications.

1.49. Establishing the extent of these relationships is difficult due to data limitations as well as the existence of comorbidities. Suffering gambling harm is associated with other health problems, so determining the isolated impact of gambling harms is challenging.

1.50. Within the context of online slots, **current access to high stakes play clearly exacerbates the risk of consumers engaging in harmful gambling behaviour and suffering associative gambling harm. Gambling harm has a negative impact on the consumer and is a demerit good.**

Negative Externalities

1.51. Another market failure associated with gambling harm is the presence of negative externalities. These exist when the cost of an action to society is higher than the cost faced by the individual, meaning individual decisions lead to socially undesirable outcomes. In the case of harmful gambling, costs to the individual are certainly high but there are additional costs to society of harmful gambling, such as the funding of gambling treatment and productivity loss. Harmful gambling is associated with significant social costs through numerous channels.

1.52. The Office for Health Improvements and Disparities (OHID)³⁹, the Institute for Public Policy Research (IPPR)⁴⁰ and the National Institute for Economic and Social Research (NIESR)⁴¹ have all estimated the social and/or fiscal costs associated with harmful gambling, although all have elements which are likely to over or underestimate various aspects of the true costs. Examples of the identified fiscal costs include an estimated increased associative likelihood of:

- Using health and gambling treatment services - people experiencing problem gambling are more likely to have visited a GP regarding a mental, nervous or emotional complaint in the previous 12 months. They are also more likely to be accessing counselling or therapy services for mental health problems and to have been a hospital inpatient in the previous three months⁴².

³⁸ <https://www.gov.uk/government/publications/gambling-related-harms-evidence-review/gambling-related-harms-evidence-review-summary--2#approach-and-methods>

³⁹ <https://www.gov.uk/government/publications/gambling-related-harms-evidence-review/gambling-related-harms-evidence-review-summary--2>

⁴⁰ https://www.ippr.org/files/publications/pdf/Cards-on-the-table_Dec16.pdf

⁴¹ <https://www.niesr.ac.uk/publications/fiscal-costs-benefits-problem-gambling?type=report>

⁴² Cowlishaw and Kessler (2015), Problem Gambling in the UK: Implications for Health, Psychosocial Adjustment and Health Care Utilization

- Claiming welfare allowances - IPPR analysis found that being a person experiencing problem gambling was associated with a higher likelihood of claiming jobseeker's allowance compared with those unaffected by problem gambling.
- Criminal activity - The government incurs incarceration costs for those whose offences are linked to gambling, which IPPR estimates to be 5.2% of the prison population as a whole.

1.53. In addition to this, harmful gambling behaviour also incurs costs to friends and family of people experiencing gambling harm, known as 'affected others'. A direct example of this being 'affected others' who are treated by National Gambling Treatment Service providers, which made up 14% of clients in 2021/22⁴³.

1.54. Moreover, there are other impacts on affected others associated with problem gambling:

- In a YouGov survey⁴⁴, 77% of those identified as affected others reported that a relationship had been affected by the gambling problem of someone else
- In this same survey, 73% of affected others reported feelings of anger, anxiety, depression, sadness, or distress and upset due to the person's gambling
- Half of affected others reported experiencing financial impacts - including reduced income for household running costs, a lack of money for family projects, financial hardship and taking over financial responsibility in the home

1.55. In the OHID and NIESR reports, they acknowledge a lack of publicly available data to allow for quantifying the associative costs of harmful gambling upon affected others.

1.56. Within the context of online slots, **current access to high stakes play clearly exacerbates the risk of behaviour that incurs wider social costs.**

Equity of Regulation

1.57. As mentioned above, the government has three objectives within gambling regulation as part of the review of the Gambling Act 2005. Notably, the third objective involves ensuring "customers are suitably protected whenever and wherever they are gambling, and that there is an equitable approach to the regulation of the online and the land-based industries."

1.58. There is currently an inconsistency in that land-based gaming machines have statutory limits on a range of characteristics, including stake limits. The maximum stake limit for B2 and B3 machines are £2, whilst B1 machines in casinos have a £5 stake limit⁴⁵. Online slots are not subject to the same statutory controls as the most equivalent land-based gaming machines.

⁴³https://www.begambleaware.org/sites/default/files/2022-11/202216_GA_Annual%20stats_report_English_v4.pdf#page=4

⁴⁴<https://www.begambleaware.org/sites/default/files/2022-03/Annual%20GB%20Treatment%20and%20Support%20Survey%20Report%202021%20%28FINAL%29.pdf#page=42>

⁴⁵<https://www.gamblingcommission.gov.uk/guidance/guidance-to-licensing-authorities/appendix-b-summary-of-gaming-machine-categories-and-entitlements>

- 1.59. Gambling Commission research into binge gambling⁴⁶ found that 35% of respondents had played online slots and 24% of those respondents had binged online slots. As a comparison, 62% of respondents had played fruit or slot machines (land-based equivalents). Despite a much higher usage rate, only 22% of respondents had reported undertaking binge gambling on these products.
- 1.60. Within the context of online slots, there are clear inequities in the comparative riskiness of products (even considering the wider regulatory regimes in place) and the likelihood in engaging in harmful behaviour, such as chasing losses. With the absence of stake limits, individuals can currently lose a statutorily limitless sum per 2.5 second spin (most operators offer stakes of no higher than £50 per spin, and the highest we are aware of is £500 per spin). **This is far higher than equivalent land-based gaming machines.**

Summary of Rationale for Intervention

- 1.61. In their current format, online slots do not have a mandatory stake limit. **The ability to access high stakes contributes to a significant risk for gamblers to lose large amounts of money rapidly and a clear association to harmful gambling behaviour.** As evidenced above, **there are clear market failures within harmful gambling.**
- Gambling harm creates negative externalities through the excess fiscal costs associated with harmful gambling, as well as social costs.
 - Moreover, harmful gambling is a demerit good in that such behaviour incurs negative costs to the individuals themselves.
 - There is regulatory inequity between land-based gaming machines and online slots, especially in light of the comparable risks posed by the products.
- 1.62. Therefore, there is a clear rationale for intervention and the introduction of an online slot stake limit to structurally limit the risk of these harmful behaviours for the minority who suffer them. The Gambling Commission's formal advice⁴⁷ to the government's review of the Gambling Act also concluded that there is a role for stake limits on online slots.
- 1.63. The most effective and appropriate way to set a stake limit would be for government via affirmative regulations so as to allow Parliamentary scrutiny.
- 1.64. Both government intervention and voluntary industry action are included in our *Options Considered* below.

Policy Objective

- 1.65. One of the ultimate policy objectives within the review of the Gambling Act 2005 is to protect consumers and minimise gambling harm. The proposed intervention of an online slots stake limit contributes to this objective. Current access to high stakes play exacerbates the risk of consumers incurring rapid runaway losses and suffering associative gambling harm.

⁴⁶<https://www.gamblingcommission.gov.uk/statistics-and-research/publication/understanding-why-people-gamble-and-typologies>

⁴⁷ <https://www.gamblingcommission.gov.uk/about-us/guide/page/package-of-recommendations-for-government>

- 1.66. A stake limit would decrease the intensity of losses incurred by players through a maximum limit on staking and theoretical cap on losses that could be incurred by players over any given time period. Therefore, the **intended outcome** is to lower total losses from those being harmed by gambling, through a stake limit making it harder for those suffering from gambling harm to engage in potentially harmful behaviours like loss chasing, of losing harmful sums in short periods without reflection.
- 1.67. The success of the intervention would crystallise in several forms:
- A decrease in average session loss for those flagged as high-risk by gambling operators
 - A reduction in participation rate within online slots for those being treated by the National Gambling Treatment Service
- 1.68. Details on how we plan to monitor the impact of the intervention, the data we plan to collect and how we assess whether the intended objectives have been met are discussed in *4.0 Post Implementation Review/Monitoring and Evaluation Plan*.
- 1.69. There are risks that might prevent the intervention from fully realising its objective, and a potential for unintended consequences. A prohibitive limit could encourage harmful gambling displacement to other products. Furthermore, in extreme cases it could potentially lead to displacement to the unlicensed sector. While the policy objective is to decrease intensity of losses, speed of play increasing and longer player session times might counterbalance this desired effect.
- 1.70. The potential for unintended consequences are informed by previous interventions relating to stake limits.
- In April 2015, *£50 regulations* were introduced on Fixed Odds Betting Terminals (FOBTs). These machines had a staking limit of £100 and these new regulations meant that those wishing to stake above £50 would require “account-level verification” or “over-the-counter-authorisation”.
 - An evaluation was commissioned by GambleAware⁴⁸ and carried out by Professors David Forrest and Ian McHale, complementing existing KPIs collected by DCMS and the Gambling Commission.
 - They found that following the Intervention, the **frequency of placing stakes in the £50-£100 range fell to less than half of its previous level**. However, their evaluation found evidence that **the fall in value of stakes derived above £50 was cancelled out by an increase in the money value of stakes just within the £50 limit**.
 - The evaluation also found an **increase in session lengths of 4.3%** compared to an extrapolated pre-Intervention trend, **but no apparent disruption to a trend for FOBT speed of play**.
- 1.71. While these are unintended consequences from a previous intervention, there again are important distinctions between this intervention and the introduction of an online slot stake limit.

⁴⁸ <https://www.begambleaware.org/news/fobt-50-regulation-analysis>

- 1.72. Firstly, the *£50 regulations* was not a hard limit. It sought to introduce friction to the process of staking above £50. Therefore, those wishing to stake just over £50 could still do so. In comparison, a stake limit for online slots would be a hard limit and would not allow those staking at high values to continue to do so.
- 1.73. Relatedly, the introduction of a soft limit at £50, on a machine with a £100 limit, differs from the introduction of a hard limit in a landscape where there is currently no stake limit. Within the *£50 regulations*, customers wanting to stake just above £50 could easily do so at just below £50. Whereas, the introduction of a stake limit in online slots creates a significant theoretical cap on intensity of losses, whereby previous high staking players would need to substantially moderate play.
- 1.74. This intervention is also not considered a holistic solution to eliminating all harmful gambling behaviour associated with online slots. However, an online stake limit is a step in the right direction to decrease the likelihood of associative harmful gambling occurring (notably from sustained unaffordable losses and binge gambling - two key indicators of harm within the policy context). It is recognised that other harmful characteristics associated with slots play will also need to be monitored to assess the success of the intervention within the holistic landscape.

Options Considered (Long-list)

- 1.75. **Critical Success Factors** - These were identified as being necessary to meeting the objectives of intervention and include:
- **Deliverability** - How quick and/or achievable is the intervention to deliver
 - **Effectiveness** - How effective is the intervention in reducing associated harmful gambling behaviour and preventing harm to vulnerable consumers.
 - **Proportionate** - Does the intervention deliver an appropriate level of consumer freedom/choice.
 - **Consistency** - Does the intervention deliver on achieving an equitable approach to the regulation of the online and land-based industries.
- 1.76. Various high-level long list options were considered and appraised against the list of Critical Success Factors. Within any of these headline options, there are specific details (considered below) such as precisely what level the stake limits should be set at.

Table 2: Assessment of longlist options against Critical Success Factors

Options Framework for Analysis Category	Option 0: Do nothing	Option 1: Alternative to regulation	Option 2: Statutory Regulation - Flat Stake Limit	Option 3: Statutory Regulation - Risk Tiered Stake Limits	Option 4: Do maximum - Ban provision of online slots
Delivery Mechanism	N/A	Voluntary Adoption from industry	Secondary Legislation	Primary Legislation	Primary Legislation
CSF - Deliverability					
CSF -					

Effectiveness					
CSF - Proportionate					
CSF - Consistency					
Long List Appraisal Result	Taken Forward	Not Taken Forward	Taken Forward	Not Taken Forward	Not Taken Forward

Stake Limit Policy amongst Wider Policy Measures

1.77. It is useful to note that alongside these high-level long list options, the government has proposed other measures to reduce the associative harm of online slots and other online gambling products in order to meet the policy objectives outlined above. These are outlined in the white paper and include earlier interventions by operators to assess financial risks, the introduction of a data sharing system where operators can share high-risk customers' data to enable more effective harm prevention, and setting higher standards for operators in obtaining all customers' consent to direct marketing and promotional offers.

1.78. However, even within the wider package of reforms, the current access to current stakes still exacerbates the risk of customers engaging in harmful gambling behaviour. Therefore, in line with the Gambling Commission's advice, a statutory stake limit still has a significant role in achieving the policy objectives alongside the wider package of measures.

Rationale for Discounting (Do Maximum - Prohibitive Measures)

1.79. This option would be to severely restrict or ban access to online slot games in Great Britain. This would require primary legislation to amend the Gambling Act 2005 in order to prevent operators from offering online slots under a remote casino operating licence.

1.80. Such a prohibitive measure would be a disproportionate restriction of consumer freedoms and would be inconsistent with the existing regulation of land-based gaming machines, which offer similar games with stake limits (see Table 1). This directly contradicts one of the three objectives for the government's review of the Gambling Act in ensuring an *equitable approach to the regulation of the online and the land-based industries*.

1.81. Further, an online slots ban would risk giving the unlicensed sector (the black market) a competitive advantage, and thereby driving players (including those who are vulnerable) to play online slots with unlicensed operators which pose a range of risks to the consumer and society. Consumers have no assurance that the operator meets the same standards of fair treatment that is required of licensed sites, or that it is run as a legitimate business and not involved in crime. There may also be problems with how the site functions, such as consumers not being able to withdraw funds or not having anyone to contact if they have a complaint. These websites may also allow activity that is unlawful in itself, such as allowing credit cards to be used or allowing children to gamble.

1.82. This is in contrast to the licensed online gambling market, where the onus is on operators to display safer gambling messaging and identify, interact and evaluate their interventions⁴⁹ with customers who may be showing signs of harmful gambling behaviour and take action. Great Britain has a small gambling black market compared to other European jurisdictions⁵⁰. This includes France which has an estimated 57% of remote GGY generated outside the licensed sector, which some commentators have attributed to the near complete inability of licensed operators to provide online casino products. A similar measure in Great Britain would create an unacceptable risk of player migration to unlicensed online operators, especially given the historical context of previously widespread availability in which a ban would be made. This would make banning online slots ineffective in tackling harmful gambling behaviour and in protecting vulnerable consumers from harm.

Rationale for Discounting (Statutory Regulation: Risk Tiered Stake Limits)

1.83. This measure would seek to adjust stakes for customers playing online slots according to each individual's risk profile. A tiered stake (smart stake) limit would require primary legislation.

1.84. From a theoretical perspective, robust and uniform customer segmentation would make smart stake limits proportionate in protecting consumer freedoms in minimising the disruption to those not being harmed by their gambling. However, operators all have different approaches to ascribing risk scores. This is because the regulatory regime is outcomes based, and does not include prescriptive processes across all operators for the identification of and responses to risk. As a result, this policy intervention, whilst theoretically proportionate, would be nearly impossible to deliver in a uniform way. Resultantly, this approach is likely to come with high implementation costs to industry, involving a major exercise in risk detection harmonisation.

1.85. Further, in order to be effective, operators would need to coordinate their interventions to limit individual customers to certain stakes (or the at risk customer will simply move between operators), which again would require significant up front investment and would be a major expansion of the data sharing proposals already being developed following the white paper.

1.86. Finally, even following harmonisation, the detection of harm based solely on play data is not yet such a sufficiently established safeguard to control access to higher stakes within online slots. Therefore, in its current form it would only be partially effective in being able to reduce harmful gambling behaviour, as there is too high a risk that customers who are being harmed would not be prevented from accessing high stakes slot play.

Rationale for Discounting (Alternative to regulation - Encouraging Voluntary Adoption from industry)

⁴⁹<https://www.gamblingcommission.gov.uk/licensees-and-businesses/guide/customer-interaction-formal-guidance-for-remote-gambling-operators>

⁵⁰https://bettingandgamingcouncil.com/uploads/Downloads/PwC-Review-of-Unlicensed-Online-Gambling-in-the-UK_vFinal.pdf#page=59

- 1.87. In this option, industry would be encouraged to adopt a voluntary stake limit within online slots products. This option would be unlikely to meaningfully affect the likelihood of gambling-related harm occurring due to the lack of statutory backing.
- 1.88. We are aware that some remote operators have voluntarily adopted both 'hard' and 'soft' slot stake limits. 'Hard' limits are universal while 'soft' limits can be increased for individual customers who pass appropriate operator-specific checks. Other remote operators have argued against stake limits in favour of more account rather than product-level controls.
- 1.89. The fact that voluntary stake controls introduced to date have been so inconsistent, allied to the fact that many operators have outspokenly opposed universal interventions like stake limits (as opposed to measures for individuals displaying indicators of risk) undermines our confidence in the sector's ability to introduce robust and uniform stake limits voluntarily.
- 1.90. We particularly have low confidence that every single one of the roughly 1,000 active remote licensees could be persuaded to adopt a uniform stake limit, and apply it consistently now and in the future.
- 1.91. This would result in inconsistency and only patchy protections. If even one operator did not abide by a voluntary limit, then the lack of government action would risk giving them 1) an unfair competitive advantage compared to other operators and 2) attracting individuals at risk of gambling-related harm to a single operator who could better meet their desire to stake at potentially harmful levels. Online gamblers already hold an average of 3 accounts with different providers, and those at risk of harm often have more⁵¹. There are few barriers to opening new online accounts, brand loyalty is typically low, and it would be easy for customers to migrate to whichever provider can best supply the gambling services they demand, which (as outlined above) can include high stakes play for those at risk of harm. The proposed stake limits will only work as an effective intervention to prevent gambling-related harm if applied equally and simultaneously across operators.
- 1.92. Finally, the introduction of a stake limit via regulation will also make the expectations and requirements clearer for operators than any non-binding voluntary code, and also be easier for consumers to understand why they cannot stake above certain amounts.

Options Taken Forward (Shortlist)

- 1.93. Following long-list appraisal, we have taken forward two options to the shortlist:
- **Option 0 - Do Nothing:** online slots continue to have no limits set on staking. This is not considered to be an appropriate or effective option as it will enforce the status quo and would be ineffective in achieving the desired policy outcomes.
 - **Option 2 - Statutory Regulation - Flat Stake Limit (Preferred option).** This measure is likely to best achieve the policy outcomes, notably lower total losses from those being harmed by gambling, through a stake limit making it harder for

⁵¹<https://www.gamblingcommission.gov.uk/statistics-and-research/publication/taking-a-more-in-depth-look-at-online-gambling>

those suffering from gambling harm to incur runaway losses. We are considering multiple stake limits and have included each of these as a sub-option in the following cost-benefit analysis. Government is also consulting on these options to gather improved evidence on preferred stake limits in a final-stage impact assessment.

Summary and Preferred Option with Description of Implementation Plan

- 1.94. The preferred option would be implemented through secondary legislation. Under Section 78 of the Gambling Act 2005, the Secretary of State may provide for a specific condition to be attached to operating licences through legislation. We intend to use this power to attach new conditions to remote casino operating licences, specifying the maximum stake per spin permitted within online slots games.
- 1.95. This would set a flat stake limit for online slots, and, if relevant, a bespoke stake limit for those aged 18 to 24 years old.
- 1.96. The options that government is consulting on for the flat stake limit are:
- A maximum online slots stake limit of £2 per spin
 - A maximum online slots stake limit of £5 per spin
 - A maximum online slots stake limit of £10 per spin
 - A maximum online slots stake limit of £15 per spin
- 1.97. The options that government is consulting on for a bespoke stake limit for 18 to 24 year olds are:
- A maximum online slots stake limit of £2 per spin for 18 to 24 year olds
 - A maximum online slots stake limit of £4 per spin for 18 to 24 year olds
 - Not introducing a specific statutory stake limit for 18 to 24 years olds (meaning they could access the general maximum limits above), but instead introducing specific requirements on operators to consider age as a risk factor for gambling-related harm which could justify a range of mitigations, including limiting access to higher staking opportunities on a case-by-case basis.
- 1.98. In line with formal advice from the Gambling Commission, we have used the current limits on electronic gaming machines (£2 and £5) as a starting point for determining the options for maximum online slots stake levels. However, it is important to note that there are significant structural differences between land-based play and online play and that any maximum stake limits for online slots must be based on an equitable approach rather than a necessarily identical approach.
- 1.99. Within the consultation, we seek respondent views on which of the maximum stake limits would most effectively achieve an appropriate balance between preventing harm and consumer freedoms. We welcome views and evidence where possible to support respondents' views.

Consultation question 4:

The government is aiming to introduce a maximum stake limit that strikes an appropriate balance between preventing harm and preserving consumer freedoms.

4a) What maximum stake limit for online slot games would you support, if any?

(Mandatory response)

£2 / £5 / £10 / £15 / None of the above / I don't know

4b) Please explain your answer, providing evidence where possible. *(Optional response)*

- 1.100. Moreover, we seek views on the best way to provide a balanced approach to the protection of young adults aged 18 to 24. We welcome views on what maximum stake, if any, respondents support for this age cohort, as well as evidence to support their views.

Consultation question 5:

The government is seeking a balanced approach to the protection of young adults. We recognise the evidence of risks which can accompany potentially vulnerable young adults gambling on high risk online slots at high stakes, but also that as adults we must treat those aged 18 to 24 fairly and proportionately.

5a) What maximum stake, if any, do you support for young adults aged 18-24? *(Mandatory response)*

£2 / £4 / consistent with the limit for all adults but with extra operator vigilance/ I don't know

5b) Please explain your answer and reference any relevant supporting evidence if appropriate. *(Optional response)*

Open text

- 1.101. Following a final stage impact assessment which we intend to publish alongside a government consultation response later this year, we will look to lay the necessary statutory instruments. Conditions will be applied to the relevant operating licences, and we aim for them to come into force in spring 2024.
- 1.102. The Gambling Commission would continue to be responsible with enforcement of the licence conditions. It is not envisioned that this measure will change the enforcement burden on the regulator or by itself necessitate a change in licence fees. This is discussed in more depth in the *Costs to Business* below.
- 1.103. The approach to implementation will not inherently allow for a pilot, as it is a new limit being implemented on a specified date via secondary legislation. However, the monitoring of the intervention will allow a Post-Implementation Review to be completed, in order to assess how effective the intervention has been in achieving its objectives. This is discussed in greater detail in the *Post-Implementation Review*.

2.0 Costs and Benefits

Summary Table of Impacts

- 2.1 Table 3 shows the costs, benefits and equivalent annual net direct cost to business (EANDCB) for the shortlisted options. The costs include estimated reductions in GGY and transition and familiarisation costs incurred by businesses. The benefits are not quantified.

Table 3: Costs, Benefits and Equivalent Annual Net Direct Cost to Business (EANDCB)
Summary Table (2019 prices, 2020 present value, 10 year appraisal period).

Options Considered	Do Nothing	Flat £2 limit	£5 limit			£10 limit			£15 limit		
			£2 limit (18-24)	£4 limit (18-24)	Reinforcing operators to consider age as a risk factor	£2 limit (18-24)	£4 limit (18-24)	Reinforcing operators to consider age as a risk factor	£2 limit (18-24)	£4 limit (18-24)	Reinforcing operators to consider age as a risk factor
Costs (£m)	N/A	2,289.6	970.9	917.4	915.3	388.4	336.9	293.1	330.7	279.9	231.3
Benefits (£m)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EANDCB (£m)	N/A	266.0	112.8	106.6	106.3	45.1	39.1	34.1	38.4	32.5	26.9

- 2.2 The sub-options assessed under the preferred option have an estimated annual net direct cost to business of £26.9m - £266.0m, depending on the maximum stake limit and approach to 18-24 year-olds applied. The total costs to business over the ten year appraisal period is estimated to be £231.3m - £2,289.6m. Table 12 indicates the size of operators under scope of the intervention, which is discussed in more detail in Section 3.

Costs

- 2.3 Table 4 provides an assessment of which cost categories are applicable to the options within the shortlist. Where cost categories are applicable, these are described below.

Table 4: Costs Categorisation Assessment against Options Shortlist

Cost classification		Applicable to options short list?
Costs to Business	Direct Costs to Business	YES
	Indirect Costs to Business	NO - no indirect costs to business identified
Other Costs	Direct Public Sector Costs	NO - no direct costs to public sector identified
	Indirect Public Sector Costs	NO - no indirect costs to public sector identified

	Social Costs	NO - no direct costs to public sector identified
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Option 0 – Do Nothing

- 2.4 In the absence of government intervention, harmful gambling associated with online slots would continue. As mentioned in the rationale for intervention, harmful gambling is a demerit good with accompanying negative externalities. Moreover, harmful gambling behaviour has numerous associative costs to both individuals and society. Individual costs could include the associated costs deriving from health problems (alcohol misuse, anxiety, feelings of isolation, general health and mental health problems), housing problems, and financial difficulties. Harmful gambling has clear associative costs both indirectly to the public sector, as well as society more widely.
- 2.5 As mentioned, it would be inappropriate to estimate the degree to which the current online slots regulatory landscape causes these costs. However, it is illustrative that under the *Do Nothing*, there are significant costs to both the individual and society, which would continue.

Preferred Option - Statutory Regulation - Flat stake limit with bespoke limit for 18-24 year olds

Costs to Business - Direct Costs to Business: Reduction in GGY

- 2.6 Introducing any binding intervention on online slots will incur a cost to business. This will primarily be in the form of reduced Gross Gambling Yield (GGY), due to a likely reduction in the average stake from a binding stake limit. GGY measures gross revenue received by the gambling operator minus the provision of prizes or winnings. We consider GGY to be the most appropriate measure of the direct cost to business as it effectively captures the net revenue from gambling products. This will be considered an ongoing cost to business.
- 2.7 We have used data gathered by the Gambling Commission to determine current staking patterns. This covers almost 76.8 billion spins on online slots games from April 2022 to March 2023. Table 5 reports how stakes were distributed across various monetary thresholds:

Table 5: % of Online Slots Spins by spin value (source: Gambling Commission supplied Industry Data)

Stake Limit	% of all spins above threshold
> £2	2.9%
> £5	0.6%
> £10	0.09%
> £15	0.06%
Stake Limit	% of all spins above threshold

	(Number of Staking Events)
> £50	0.00% (797,000)
> £100	0.00% (109,000)

2.8 Table 6 below details our assumptions around modelling the impact of a stake limit.

Table 6: Modelling Assumptions

<u>Assumption</u>	<u>Value</u>	<u>Evidence</u>
Return to Player (RTP) - RTP can be thought of as expected value/average customer winnings in pence for every £1 staked. This is used when modelling GGY impacts from staking data.	95%	This Online Slots RTP was provided by the BGC, the industry body for betting and gaming. Moreover, the calculated RTP was 95.1% from our dataset covering a year of online slots play provided by the Gambling Commission.
Recycling above stake limits - This assumption follows the rationale that some stakes above proposed statutory limits will be recycled at lower limits. For example, those accustomed to staking £20 would likely not place stakes at a £2 limit due to the large discrepancy between desired and available play. Whereas, those who stake £16 would likely still place a stake at a £15 limit. Therefore, a value is needed to represent the % value of stakes above the threshold that would be partially recycled.	50%	This is an assumption which cannot be derived from existing evidence due to a lack of data on consumer behaviour before and after a stake cut. However, this represents our best available estimate. We allow for partial recycling into lower limits up to 50% above each threshold and model the probability of a staking event occurring is [actual stake] / [desired stake]. In the illustrative example of a player wanting to stake £15 but there being a £10 limit, the probability of them staking £10 is 0.67 (10/15).
Spend by age cohort - Unfortunately, within the Gambling Commission industry data request, there is no granularity that allows for the precise modelling of staking behaviour by age bracket. In order to model the effect of bespoke stake limits on 18 -24 year olds, we have assumed their staking patterns are the same as all adults, but separated their contribution to slots spend.	5.58%	This assumption comes from the Patterns of Play dataset ⁵² , which analysed 140,000 accounts over a year long period (2018-2019). This dataset included the % of online slots spend from the 18-24 age cohort. Due to a lack of granularity of staking data by age cohort, a simplified assumption has been applying this % of cohort spend to each stake bracket.
Spend displacement - This captures the likely behavioural change in response to stake limits. Those whose play is constrained by new stake limits may just migrate to another online gaming product entirely. Therefore, even if players no longer play online slots due to a discrepancy between stake limits and desired staking levels, it is reasonable to assume that some spend will be displaced to other online gaming products instead.	15% - 30%	Based on Patterns of Play data, 27% of players played only online slots. Whereas, 45% of players played slots and other online games. The median loss for those who play slots and other casino games was 3 times higher than those playing only online slots. Therefore, it is reasonable to assume that there is some significant spend that would go into other online games amongst players in response to online slots stake limits. We have modelled a sensitivity range to capture uncertainty by modelling 15% displacement in the high GGY reduction scenario and 30% in the low reduction scenario.

⁵²https://natcen.ac.uk/sites/default/files/2023-03/Patterns%20of%20Play_Technical%20Report%202_Account%20data%20file_final_corrections_0.xlsx

2.9 Applying this methodology to each option, the estimated reduction in GGY is shown in Table 7.

Table 7: Estimated reduction in annual GGY by option

		Estimated reduction in GGY		
	Options Considered	Central estimate	Range	Range (as a proportion of total online slots GGY)
	Flat £2 limit	£328.5mn	£243.5mn - £413.5mn	8.1% - 13.8%
£5 limit	£2 limit (18-24)	£138.8mn	£99.2mn - £178.3mn	3.3% - 5.9%
	£4 limit (18 -24)	£131.1mn	£92.3mn - £170.0mn	3.1% - 5.7%
	Reinforcing operators to consider age as a risk factor	£130.8mn	£90.1mn - £171.5mn	3.0% - 5.7%
£10 limit	£2 limit (18-24)	£55.0mn	£32.8mn - £77.1mn	1.1% - 2.6%
	£4 limit (18 -24)	£47.6mn	£26.1mn - £69.1mn	0.9% - 2.3%
	Reinforcing operators to consider age as a risk factor	£41.3mn	£19.3mn - £63.2mn	0.6% - 2.1%
£15 limit	£2 limit (18-24)	£46.7mn	£29.8mn - £63.6mn	1.0% - 2.1%
	£4 limit (18 -24)	£39.4mn	£23.2mn - £55.6mn	0.8% - 1.9%
	Reinforcing operators to consider age as a risk factor	£32.4mn	£16.1mn - £48.7mn	0.5% - 1.6%

2.10 The sub-options assessed under the preferred option are estimated to have a total annual reduction in GGY of £16.1m - £413.5m, depending on the maximum stake limit and approach to 18-24 year-olds applied. This represents a reduction in current annual online slots GGY of 0.5% - 13.8%.

2.11 As a simplifying assumption, the annual online slots GGY is assumed to remain at its most recent levels across the ten year appraisal period. Both the underlying staking behaviour data and the annual GGY data are from the most recent available data, therefore it would not be proportionate to forecast and estimate changes to this as the counterfactual used across the appraisal period.

Costs to Business - Direct Costs to Business: Transition and Familiarisation Costs

2.12 Introducing a stake limit for online slots will require businesses to face transition and familiarisation costs in order to implement an online slots stake limit. We have liaised with the BGC to gather industry estimates for the changes required. These include: quality assurance, testing, user acceptance and compliance tests, project management amongst other costs. These are discussed in more detail within our methodology below.

2.13 In order to better understand these costs, we sought evidence from industry which provided the following estimates:

- a. In order to make technical design changes to games, a significant amount of time is required to test and quality assure. The reason for this being that a stake

change can have theoretical knock-on effects within the code (such as pay tables being associated with particular stakes). Therefore, in order to meet Remote Technical Standards requirements, it requires a QA test, User Acceptance test and a compliance test.

- b. There are roughly 6,000 slots games live with some suppliers having hundreds of titles. Due to the complexity of supply chains, each supplier supplies multiple operators and each operator is supplied by multiple suppliers. Therefore, testing and deployment costs multiply significantly.
- c. In addition to this, suppliers need to undertake project management and change implementation work as a result of a stake limit intervention. It is envisioned that these changes would take 3-6 months to implement. However, we note that following the white paper operators are on notice of our intention to implement a slots stake limit, and some have already started work.
- d. After accounting for these factors, industry estimated that these costs arising to the whole remote gambling sector from these changes range from **£5-£10 million**. Therefore, these will form the basis of a lower and upper bound estimate, with **£7.5 million** being the central estimate.

2.14 We will continue to work with industry and gather evidence to improve the precision of these estimates ahead of final-stage consultation. We also note that transition costs may vary depending on the option chosen, for instance a flat stake limit of £2, without a separate limit for 18-24 year olds, may come with lower transition costs.

2.15 Following discussions with the Gambling Commission, we do not expect the introduction of a stake limit for online slots to significantly increase compliance and enforcement costs, or by itself trigger a fee increase. However, we note that there may be a risk of operators trying to circumvent the limits with boundary pushing products which may be deemed non-compliant and require regulatory attention.

2.16 In the consultation, we are seeking views on any additional impact consideration. We welcome any additional evidence on estimated costs as part of our proposed stake limit introduction.

Consultation question 6:

The options considered throughout this consultation are likely to have significant impacts on both gambling customers (including those being harmed by gambling) and businesses. Our impact estimates for each option under consideration are considered in full in the consultation stage impact assessment.

6a) Are there any additional impact considerations, including on the assumptions in the accompanying Impact Assessment, or on the risk of unintended consequences? *(Mandatory response)*

Yes / No / I don't know

6b) Please explain your answer and provide relevant evidence. We would particularly welcome input on transition costs, and on the impacts for small and micro businesses.

(Optional response)

Open text with option

Unquantified Wider Costs

- 2.17 As mentioned in the objectives of the Gambling Act Review, consumer freedoms need to be considered when introducing a policy intervention. In the current landscape, there are no stake limits for those playing online slots.
- 2.18 There is a theoretical decrease in utility from those wishing to stake amounts above the stake limit, but are unable to do so under a new limit. However, these are not quantified in the appraisal and our methodology allows for partial recycling of higher stakes within proposed stake limits.

Benefits

- 2.19 Table 8 provides an assessment of which benefits categories are applicable to one or more of the options shortlist (where applicable these are subsequently discussed).

Table 8: Benefits Categorisation Assessment against Options Shortlist

Benefits classification		Applicable to options shortlist?
Benefits to Business	Direct Benefits to Business	NO
	Indirect Benefits to Business	NO
Other Benefits	Public Sector Benefits	YES
	Social Benefits	YES

- 2.20 Within Green Book guidance, indirect public sector benefits are benefits which apply to other public sector organisations (outside the Department for Culture, Media and Sport). Whereas, social benefits denote the wider benefits to UK society (e.g. households, individuals, businesses).

Existing Evidence of Benefits

- 2.21 The primary benefit of this measure is the reduction in gambling harms and associated costs to individuals affected and wider society. The Health Survey 2021⁵³ estimates the adult population problem gambling rate is approximately 0.3%. As detailed in the Rationale for intervention, there are a range of costs to the individuals suffering gambling harm as well as their 'affected others'.
- 2.22 OHID, NIESR and IPPR have all produced various reports estimating the fiscal costs associated with problem gambling. OHID estimates that the direct cost to government of gambling harm to be £413m per year, as well as the wider social costs to be between £635m–£1.36bn. NIESR estimates the fiscal cost associated with problem gambling to be between £1.1bn–£1.7bn, whilst IPPR estimates the excess fiscal costs incurred by the state from individuals experiencing problem gambling to be between £260m–£1.16bn.

Proportionality of Analysis: Benefits in Scope of this Appraisal

⁵³ <https://digital.nhs.uk/data-and-information/publications/statistical/health-survey-for-england/2021-part-2/gambling>

- 2.23 Any reduction in costs to individuals affected and associated public sector costs would represent benefits within policies designed to reduce gambling harm. However, this impact assessment does not attempt to quantify public sector and social benefits from reduced gambling harm for various reasons.
- 2.24 Firstly, it is difficult to accurately estimate a level of gambling harm reduction from each of the shortlisted options. Gambling harm is complex and often the result of numerous factors both within and external to the actual gambling environment. It would be difficult to isolate the causal mechanism between staking at various levels (that will no longer be available) and the reduction in gambling harm.
- 2.25 Secondly, there are difficulties in measuring factors related to costs associated with gambling harm. For example, IPPR caveats its estimates with the following, “due to variations in the quality of data for different areas of interaction, the methods for estimating excess incidence and unit costs are not directly comparable across different interactions”. Furthermore, these costs are the costs associated with individuals classified as experiencing gambling problems, rather than costs directly attributable to their gambling habits.
- 2.26 The existing reports likely overestimate and underestimate various aspects of fiscal costs, **therefore we do not quantify the public sector and social benefits of the shortlisted interventions.**
- 2.27 We also do not consider it appropriate to perform illustrative or break-even analysis to provide a sense of scale of the benefits. As outlined above, the existing evidence base likely overestimates and underestimates various aspects of fiscal costs associated with gambling harm. Therefore, we cannot accurately estimate the overall cost of gambling harm, which would form the basis of switching analysis. Moreover, even if it was possible to estimate the benefits from reduced costs, it would not be proportionate, nor analytically rigorous, to estimate the size of the causal effect of various stake limits on reducing gambling harm and achieve these benefits.
- 2.28 However, as discussed in our *Rationale for intervention*, the ability to access high stakes contributes to a significant risk for gamblers to lose large amounts of money rapidly and a clear association to harmful gambling behaviour. Therefore, a stake limit is likely to reduce session losses and the potential for harm and associated costs to occur, even if they cannot be quantified. The unquantified indirect public sector and social benefits are discussed below.

Public Sector Benefits - Unquantified

- 2.29 Public sector benefits would be a reduction in costs incurred by the public sector.
- 2.30 Associated harmful gambling costs which fall under this scope are:
- a. Primary care mental health services, secondary mental health services, and hospital inpatient services (Department for Health and Social Care)
 - b. Job seekers allowance claimant costs and lost labour tax receipts (Department for Work and Pensions)
 - c. Statutory homelessness applications (Department for Levelling Up, Housing and Communities)
 - d. Incarceration costs (Ministry of Justice).
- 2.31 These have not been quantified as discussed in *Benefits in scope of this appraisal and discussion of existing evidence*.

Social Benefits - Unquantified

- 2.32 Alongside indirect public sector benefits from reducing harmful gambling, there exist wider social benefits from a reduction in associated harmful gambling behaviour. This derives from the associations with gambling harm and a range of individual and societal costs as detailed in the *Rationale for Intervention*.
- 2.33 There is also significant overlap between the social benefits and public sector benefits of reducing harmful gambling. An example of this is in 'affected others'. A reduction in harmful gambling would likely lead to benefits in reduced associative health service treatment costs for 'affected others', and will also lead to better relationships between those suffering gambling harm and their 'affected others'. Similarly, benefits may arise both to society and the public sector if fewer people lose their job as a result of harmful gambling.
- 2.34 Moreover, gambling harm can impact families and communities, and even lead to suicide in extreme cases. Overall, reduced gambling harm is likely to lead to social benefits. However, it would be inappropriate to quantify these in relation to the various interventions proposed within this impact assessment.

Therefore, the associated social benefits of our measures are recognised but not quantified in addition to indirect public sector benefits within this appraisal.

Qualitative Benefits Assessments of Options

Table 9: Qualitative Assessment of General Stake Limit Options

Option	Scale of Impact	Comparison to Existing Limits	Likelihood of Reducing Harm	Potential Unintended Consequences
£2 limit	While 97% of individual online slots stakes are below £2, operators have reported to us that as many as 35% of online slots players stake over £2 on at least one spin in a given year. Therefore, this option would be the most restrictive option under consideration and have the greatest impact on consumers and businesses.	This limit would align online slots limits to those available in B3 machines in high street gambling premises such as bookmakers, bingo halls and arcades.	As the most restrictive option, this would be the strongest structural limit to mitigate the risk of players incurring runaway losses.	However, the benefits in reduced associative gambling harm could be counteracted by player migration to the unlicensed sector due to players being unable to gamble in their preferred way with licensed operators.
£5 limit	While stakes over £5 make up just over 0.5% of all staking events in online slots, they contribute an estimated 7.4% of GGY. Operators have provided estimates of between 8% and 23% for the number of players currently staking over £5 on at least one spin per year.	This limit would align online slots limits to those available on B1 gaming machines in casinos, the highest limit currently permitted on any land-based gaming machine. Consequently, there	This option would structurally limit the risk of players incurring runaway losses and associative gambling harm.	N/A

		would not be a significant divergence between staking limits across online and land-based products.		
£10 limit	According to the April 2021 data request, around 37% of all stakes placed above £10 were made by accounts flagged as high and medium risk. While one large operator reported around 12% of its slots players ever stake at £10 or above in a year, staking events above £10 make up just 0.09% of all staking events. Therefore the disruption to the vast majority is unlikely to be severe.	This limit would be higher than that permitted on any land-based gaming machine. However, this is under consideration due to the account based play online and the associated protections which are not required or easily replicable in land-based products.	This limit would provide a weaker structurally limit against players incurring runaway losses and associative gambling harm in comparison to the options above.	N/A
£15 limit	This limit would result in the smallest change from how consumers currently play on online slots, impacting a small minority of habitually or occasionally high-staking players. Stakes over £15 make up just over 0.05% of all staking events and contribute an estimated 2% of GGY.	This limit would be higher than that permitted on any land-based gaming machine. However, this is under consideration due to the account based play online and the associated protections which are not required or easily replicable in land-based products.	While having the smallest effect on how consumers currently play and on businesses, this limit would also be the most limited in mitigating against the risk of players incurring runaway losses and associative gambling harm.	N/A

Table 10: Additional Qualitative Assessment of 18-24 year old Stake Limit Options

Option	Qualitative Benefit Assessment
£2 limit	The best available evidence shows that young adults aged 18-24 year olds typically stake lower amounts than other age groups, with an average stake 20% lower than the average for all adults according to <i>Patterns of Play</i> . A £2 limit for this cohort specifically would therefore be less disruptive than it might be as a general limit, but is still the most disruptive option being considered.
£4 limit	A young adult-specific £4 limit on online slot stakes would be less restrictive than the £2 limit on B2/B3 gaming machines. The potential argument for this is that even while the young adult cohort is particularly vulnerable, the extra protections around online play including the lower financial risk check thresholds, could still give greater protection than largely anonymous land-based play. The limit would still be lower than

	the £5 stake limit on land-based B1 gaming machines in casinos, which is available to all adults.
Reinforcing operators to consider age as a risk factor	Rather than introduce a specific lower stake limit in statute for this cohort, it would be reiterated to industry that limiting customers to only lower stakes play on certain products is already part of the toolkit of responses at their disposal when responding to risk on a case-by-case basis. In line with the current outcome based regime, the Gambling Commission could continue to take enforcement action when an operator's approach to identified vulnerabilities or risk was not proportionate. This option would be the most limited in terms of preventing associative gambling harm within this vulnerable cohort, however it would allow young adults to gamble in the same ways as other age cohorts.

Sensitivity Analysis

2.35 The estimates we have modelled in Table 3 and Table 7 use staking data from April 2022 to March 2023 as a baseline. We know that prior to and during this period, some gambling operators introduced voluntary stake limits on their online slots products. Discussion with industry suggests that these limits would likely have been introduced regardless of the government's intention to introduce statutory limits. Therefore, we consider the staking behaviour in April 2022 to March 2023 to be an appropriate baseline for our primary estimates.

2.36 However, there is a possibility that some gambling operators may not have implemented voluntary stake limits if the government were not already exploring the case for stake limits on a statutory basis. In that scenario, there will have already been a reduction in stakes above certain limits in anticipation of the policy measure being introduced.

2.37 We have therefore conducted sensitivity analysis in which we use a baseline that reflects staking behaviour before many industry limits were introduced. We do so by using only staking behaviour recorded in April 2022. As of April 2022, the government had given no direct indication that it was considering introducing stake limits for online slots products. By using only staking data from this month as a baseline, we are able to exclude any reductions in stakes at higher limits that result from voluntary limits that operators have imposed since April 2022.

2.38 The results of our sensitivity analysis are shown in Table 11.

Table 11: Sensitivity Analysis Conducted on Cost to Business Estimates

		Annual GGY reduction (% reduction in online slots GGY)			
Options Considered		Low	Central	Current Central (as a benchmark)	High
Do Nothing		n/a	n/a	n/a	n/a
Flat £2 limit		£296.7mn (9.9%)	£389.2mn (13.0%)	£328.5mn (10.9%)	£481.7mn (16.1%)
£5 limit	£2 limit (18-24)	£138.7mn (4.6%)	£182.8mn (6.1%)	£138.8mn (4.6%)	£226.9mn (7.6%)
	£4 limit (18 -24)	£136.1mn (4.5%)	£179.7mn (6.0%)	£131.1mn (4.4%)	£223.3mn (7.4%)

	Reinforcing operators to consider age as a risk factor	£128.8mn (4.3%)	£174.0mn (5.8%)	£130.8mn (4.4%)	£219.2mn (7.3%)
£10 limit	£2 limit (18-24)	£58.3mn (1.9%)	£83.4mn (2.8%)	£55.0mn (1.8%)	£108.4mn (3.6%)
	£4 limit (18 -24)	£50.9mn (1.7%)	£75.1mn (2.5%)	£47.6mn (1.6%)	£99.4mn (3.3%)
	Reinforcing operators to consider age as a risk factor	£43.1mn (1.4%)	£67.8mn (2.3%)	£41.3mn (1.4%)	£92.5mn (3.1%)
£15 limit	£2 limit (18-24)	£46.6mn (1.6%)	£65.5mn (2.2%)	£46.7mn (1.6%)	£84.4mn (2.8%)
	£4 limit (18 -24)	£39.2mn (1.3%)	£57.3mn (1.9%)	£39.4mn (1.3%)	£75.5mn (2.5%)
	Reinforcing operators to consider age as a risk factor	£30.5mn (1.0%)	£48.7mn (1.6%)	£32.4mn (1.1%)	£66.8mn (2.2%)

2.39 The sub-options assessed under the preferred option are estimated to have a total annual reduction in GGY of £30.5m - £481.7m, depending on the maximum stake limit and approach to 18-24 year-olds applied. This represents a reduction in current annual online slots GGY of 1.0% - 16.1%.

Risks and Unintended Consequences

<u>Risk/Unintended Consequence</u>	<u>Mitigation</u>
Displacement to the unlicensed sector - With the preferred option of a statutory stake limit, there may be an additional pressure on constrained play to be driven to the unlicensed sector. In these instances, there is a risk of gambling harm occurring due to the lack of player protections for those gambling with unlicensed operators. This risk also depends on the level of the statutory stake limit, with a lower limit likely to increase this risk.	The British Gambling Market is comparatively mature. The European Commission ⁵⁴ estimates that the UK Gambling black market is 2.2% (for sports betting specifically) and the Danish gambling authority ⁵⁵ estimates the UK Gambling Market has a 98% channelisation rate (and thus a 2% black market). Aside from already having a small implied black market, the government plans to increase the Gambling Commission's powers to support disruption and enforcement against unlicensed operators.
Lack of evaluations on previous interventions - This intervention is also the first statutory stake limit within online slots in the British Gambling Market. Therefore, there are not many interventions that can be fully leveraged to inform our understanding.	We have used lessons learnt from the B2 stake cut, as well as unintended consequences, to inform our policy objectives and monitoring framework.
Longer session times - Players have a maximum stake yet play for longer time periods, counterbalancing the reduced intensity from the stake limit.	All of these unintended consequences risk a stake limit not fully realising its objective. As stated, a stake limit is just one element of a package of interventions in reducing associative gambling harm. In order to assess the holistic landscape, these measures will be monitored within regular
Speed of play increasing - Players increase their speed of play in response to a	

⁵⁴https://library.olympics.com/Default/doc/SYRACUSE/171914/preventing-criminal-risks-linked-to-the-sports-betting-market-final-report-june-2017-european-commis?_lg=en-GB

⁵⁵<https://www.spillemyndigheden.dk/en/news/new-report-illegal-gambling>

stake limit, counterbalancing reduced intensity from the stake limit.	data requests (as discussed in <i>4.0 Post Implementation Review/Monitoring and Evaluation Plan</i>). Moreover, in the Gambling Commission's Assessment of Online Game Design changes, the Commission found reduced play intensity. Whilst these risks exist, they demonstrate the importance in proactive data collection and their due consideration in an effective monitoring strategy.
Recycling intensity just below the maximum stake limit - Players who otherwise stake above the maximum stake limit, recycle their play intensely right below the maximum limit, which could lead to average losses increasing.	

- 2.40 We intend to gather consultation views on additional impact considerations and welcome respondents' views alongside any additional risks/unintended consequences that are not considered in this impact assessment.

Consultation question 6:

The options considered throughout this consultation are likely to have significant impacts on both gambling customers (including those being harmed by gambling) and businesses. Our impact estimates for each option under consideration are considered in full in the consultation stage impact assessment.

6a) Are there any additional impact considerations, including on the assumptions in the accompanying Impact Assessment, or on the risk of unintended consequences? *(Mandatory response)*

Yes / No / I don't know

6b) Please explain your answer and provide relevant evidence. We would particularly welcome input on transition costs, and on the impacts for small and micro businesses. *(Optional response)*

Open text with option

3.0 Wider impacts

Small and Micro Business Assessment (SaMBA)

- 3.1 The gambling operator licence conditions do not generally include distinctions or exceptions for micro or small businesses, with all operators instead expected to comply fully. While we are aware of instances where the Gambling Commission has tailored requirements for micro or small businesses, this is done on a case-by-case basis in line with the Commission's statement of principles for licensing and regulation.
- 3.2 Following consideration, we have decided that this measure should not include an exemption for micro or small businesses. In order to achieve the policy objectives, any stake limit must apply to all operators. If some operators are able to offer higher stake limits, it is highly likely that customers wanting to stake above the statutory limit will choose to play with these exempted operators. There is evidence that gambling participants are not loyal to one brand, with the average online gambler holding three accounts and the most engaged gamblers having even more. The outcome of an exemption would simply be a displacement of customers from large operators to micro and small operators, which would undermine the aim of the policy. We expect that those customers who experience harmful gambling would be the most likely of all customers to move to exempt operators, and therefore the impact on gambling harm would be sub-optimal. Therefore, we do not consider an exemption appropriate.
- 3.3 Similarly, we do not consider it appropriate to have any mitigations for small and micro businesses. Any mitigations relating to stake limits (such as allowing small and micro businesses to offer higher limits temporarily) would have the same impact as exempting them and so would lead to a suboptimal impact on gambling harm. Alternative mitigations, such as allowing small and micro businesses to offer faster spins, would also be detrimental to gambling harm and therefore we did not consider them appropriate. Given the simplicity of the regulatory proposal, we also do not consider that measures like extra guidance would be beneficial for small or micro-business.
- 3.4 Data is not available on all gambling operators by business size. The final stage impact assessment will attempt to provide this data.
- 3.5 While we recognise that different operators specialise in different gambling verticals and some might (for example) be more reliant on the in scope slots revenue than others, there is no inherent correlation between business size and vertical specialisms. We therefore assume that the primary cost to businesses of this measure - GGY reduction - will impact businesses proportionate to their size. The current distribution of stakes by players is assumed to be equal regardless of the size of operator, therefore the proportion of stakes in scope of this measure is also expected to be equal across operators.
- 3.6 However, familiarisation and transition costs are assumed to be fixed regardless of the size of the operator. Total familiarisation costs are estimated to be £213.80 per business

affected. Total transition costs are expected to be between £226 - £1,130 per business, depending on the option chosen. While we recognise that this disproportionately affects micro, small and medium businesses, we intend to gain additional evidence on the distribution of these costs across business sizes.

Equalities Impact Assessment

- 3.7 We have considered whether this proposal is likely to impact persons who share protected characteristics as provided by the Equality Act 2010.
- 3.8 There is a clear differential impact on those aged 18-24 years old if a lower stake limit is imposed on this group. Gambling Commission data from May 2023 shows that 13.5% of 16-24 year olds participated in online gambling in the last 4 weeks, which is the lowest proportion of any adult age bracket. We consider that overall this group benefits from a lower slot limit, based on particular evidence of risk. While they may incur some loss in consumer surplus from the more restrictive limits, the risk of experiencing gambling harm is also mitigated. We intend to gather consultation views on a separate limit for this cohort.

Consultation question 4:

The government is aiming to introduce a maximum stake limit that strikes an appropriate balance between preventing harm and preserving consumer freedoms.

4a) What maximum stake limit for online slot games would you support, if any?

(Mandatory response)

£2 / £5 / £10 / £15 / None of the above / I don't know

4b) Please explain your answer, providing evidence where possible. (Optional response)

Open text

- 3.9 Available data can be analysed to assess the distribution of online gambling across gender. 19% of men participated in online gambling in the last 4 weeks compared to 17% of women, as of May 2023. This is not a substantial difference and therefore we do not consider men to be disproportionately affected by the measure compared to women.
- 3.10 There is no recent evidence to reflect the distribution of specifically high stakes slot play across other protected characteristics. We consider it unlikely that there is a substantial disparity in participation levels across protected characteristics. Therefore, our initial conclusion is that, other than younger gamblers, no persons who share protected characteristics will be disproportionately impacted by this measure. However, we welcome views in the consultation on this particular question.

Competition Impact Assessment

- 3.11 We do not expect that this measure will limit the range or number of suppliers. Most suppliers in the online gambling market offer a variety of products of which online slots games is just one. Therefore, any reduction in GGY for online slots will likely be absorbed by growth in other products and will not cause suppliers to exit the market (either by choice or due to financial health issues).

- 3.12 Operators do not generally compete on stake limits or other game design elements but on promotional offers such as free bets and bonuses. Where they do compete on game design features, there are several ways to vary such features other than varying stake limits. Therefore, we do not expect that restricting the variation in stake limits offered will materially limit the ability of operators to compete. We also do not expect it to limit the ability of suppliers to compete vigorously due to the many other game design features that gambling operators can compete on.
- 3.13 This measure will limit the choices available to consumers as players will no longer be able to select a stake limit over £15 (or wherever the stake limit is set). However, we consider this to be a positive impact as access to higher stakes slots can exacerbate the risk of consumers suffering gambling harm. Consumers will still have plenty of choices in terms of supplier, gambling product and within online slots, specific games.

Innovation Impact Assessment

- 3.14 We do not consider this measure to have a restrictive impact on innovation. Online gambling products are constantly being updated and improved, with new game types and designs emerging frequently. These product designs vary across numerous features, such as game cycle speed, jackpot symbols, avalanche reels, free spins rounds, and random triggers. The stake amount offered is only one feature. Removing variation in this feature may even encourage operators to innovate in other features to draw customers in. The Gambling Commission's rules on product design will help to ensure these innovations are developed with player safety in mind.

Trade Implications

- 3.15 This proposal applies to all licensed operators providing online slots to customers in Great Britain. If a business is based abroad, but the products can be played by people in England, Scotland or Wales, then this business must be licensed by the Gambling Commission, and would have to comply with any stake limit in the licence conditions introduced through legislation.
- 3.16 This measure is unlikely to impact the ability of businesses in Great Britain to trade or provide services overseas. Operating two systems (one with stake limits and one without) is relatively inexpensive to do as it only requires a minor software change. Therefore, we consider businesses in Great Britain will incur minimal costs to operate two systems that would enable them to offer services abroad.
- 3.17 However, it does impact overseas businesses who offer gambling products in Great Britain. These businesses will need to comply with the stake limit, and there is a risk that overseas gambling operators will stop providing online slot products in Great Britain as a result. We consider this risk to be very low given the size of the GB market compared to other jurisdictions, and the relative ease with which operators could offer a tailored version of slots games (with a lower stake limit) to each jurisdiction according to its regulatory framework.
- 3.18 This measure may also have a detrimental impact on investment flows into Great Britain if the stake limit incentivises global or overseas gambling operators to do business

elsewhere. We consider there is relatively limited investment from overseas operators currently so we expect this impact to be limited.

- 3.19 Subject to data availability, the final impact assessment will seek to assess the proportion of the online slots market that is made up by operators based overseas. This will support our assessment of the possible impact on trade and investment. DCMS will also consult with the Department for Business and Trade to determine whether this measure requires notification to the World Trade Organisation (WTO).

4.0 Post Implementation Review/Monitoring and Evaluation Plan

Monitoring and Evaluation

- 4.1. Current access to high-stakes exacerbates the risks that players can rapidly incur runaway losses. As a result of this, the status quo represents an unacceptable risk of players engaging in harmful gambling behaviour. Harmful gambling behaviour has numerous associated costs to both individuals and wider society.
- 4.2. Therefore, the objective of a stake limit is to structurally mitigate against the risk of incurring runaway losses through reducing play intensity. The objective of this is to reduce the risk of players engaging in harmful gambling behaviour within online slots play.
- 4.3. In order to monitor this work, we will be collecting detailed operator data on a regular basis as is supported by existing powers in the Gambling Act for the Commission to work with operators on data requests.
- 4.4. As set out in the gambling white paper, the Commission is pursuing a robust data-led strategy to bring about a step change in compliance and enforcement.
- 4.5. We will use the Gambling Commission's bespoke data requests to assess the average session loss for those flagged at risk by gambling operators, as well as other play intensity indicators.
- 4.6. The Gambling Commission's market impact data will also provide a useful data source for monitoring. This data publishes average slot session length and the number of sessions lasting longer than an hour, two useful metrics for the policy intervention.
- 4.7. From a high-level monitoring perspective, we will assess online slots staking patterns and harm indicators. This will take a holistic approach in assessing the distribution of stake sizes, session lengths, speed of play, and indicators of harm, including runaway losses etc.
- 4.8. Furthermore, we intend to work with the Commission to analyse aggregated customer data. This will allow us to understand, if relevant, the comparative impact of a lower slot stake limit for those aged 18 - 24.
- 4.9. In line with slot limits not being a standalone solution to tackling gambling harm, there are external factors that will have an impact on the success of a slots stake limit. Within the white paper, there are numerous interventions that will also be implemented and will impact gambling harm.
- 4.10. For example, potential intervention on frictionless financial risk checks will likely have a meaningful impact on minimising the likelihood of customers incurring runaway losses. These are being consulted on separately by the Gambling Commission. Other external

factors that will likely impact the success of an online slots stake limit is wider game design changes and other technological innovation.

- 4.11. Therefore, it is important to recognise the role of online slot stake limits within the wider gambling ecosystem.
- 4.12. Aside from data collection and monitoring of the intended outcomes of the policy, an evaluation will be conducted to assess the effectiveness of the online slot stake limit in achieving our stated policy objectives.
- 4.13. We also recognise that the measure has a significant business impact. Moreover, it is a novel intervention within the online gambling landscape. Therefore, we intend on conducting a post-implementation review (PIR) and will build upon our monitoring framework set out above.
- 4.14. Details of the PIR will be developed in more detail ahead of final-stage impact assessment.

Annex I: Summary Analysis of Options

Summary: Analysis & Evidence

Policy Option 1

Description: Statutory Regulation - Flat £2 stake limit

FULL ECONOMIC ASSESSMENT

Price Base Year 2019	PV Base Year 2020	Time period 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -2882.5	High: -1696.7	Best Estimate: -2289.6

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price	Total Cost (Present Value)
Low	4		196.6	1696.7
High	8.1		333.9	2882.5
Best Estimate	6.1		265.3	2289.6

Description and scale of key monetised costs by 'main affected groups'

The most significant monetised costs will be to gambling operators. This will be in the form of a reduction in GGY as a result of a flat statutory stake limit. The option under consideration which would have the biggest impact is a limit of £2 per spin.

Other key non-monetised costs by 'main affected groups'

There is a cost associated with the theoretical decrease in utility from consumers wishing to stake amounts above the stake limit, but are unable to do so under a new limit. However, these are not quantified and our methodology allows for partial recycling of higher stakes within proposed stake limits, as well as to other gambling products within the licensed sector.

BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	N/A		N/A	N/A
High	N/A		N/A	N/A
Best Estimate	N/A		N/A	N/A

Description and scale of key monetised benefits by 'main affected groups'

N/A

Other key non-monetised benefits by 'main affected groups'

The most significant non-monetised benefits are the benefits from reducing the risk of individuals engaging in harmful gambling behaviour. A reduction in associated gambling harm has benefits from a reduction in individual and wider social costs arising from those suffering gambling harm. Moreover, there could be benefits to government from reduced excess fiscal costs incurred by the state as a result of individuals experiencing gambling harm (such as healthcare, welfare and criminal justice costs).

Key assumptions/sensitivities/risks	Discount rate (%)
• Our methodology models consumer behaviour in response to stake limits. This includes stakes above proposed limits being partially recycled at lower amounts and spend displacement to other online gaming products. • In the event of a prohibitive stake limit, there may be an additional pressure on constrained play to be driven to the unlicensed sector due to players being unable to gamble in their preferred way with licensed operators. • Behavioural adaptation risks include: longer session times, speed of play increasing and increased recycling intensity just below the maximum stake limit.	3.5

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target (qualifying provisions only) £m:
Costs: 266.0	Benefits: N/A	Net: 266.0	
			1330.0

Summary: Analysis & Evidence

Policy Option 2

Description: Statutory Regulation - a £5 stake limit (complimented by a range of limits for 18 -24 year olds - £2, £4 and risk-based approach)

FULL ECONOMIC ASSESSMENT

Price Base Year 2019	PV Base Year 2020	Time period 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -1247.5 - -1189.8	High: -693.7 - -630.4	Best Estimate: -970.9 - -915.3

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	4.0		72.8 - 80.1	630.4 - 693.6
High	8.1		137.3 - 144.0	1189.8 - 1247.5
Best Estimate	6.1		105.6 - 112.1	915.3 - 970.9

Description and scale of key monetised costs by 'main affected groups'
The most significant monetised costs will be to gambling operators. This will be in the form of a reduction in GGY as a result of a statutory stake limit of £5, complemented by a potential bespoke limit for 18 - 24 year olds.

Other key non-monetised costs by 'main affected groups'
There is a cost associated with the theoretical decrease in utility from consumers wishing to stake amounts above the stake limit, but are unable to do so under a new limit. However, these are not quantified and our methodology allows for partial recycling of higher stakes within proposed stake limits, as well as to other gambling products within the licensed sector.

BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	N/A		N/A	N/A
High	N/A		N/A	N/A
Best Estimate	N/A		N/A	N/A

Description and scale of key monetised benefits by 'main affected groups'
N/A

Other key non-monetised benefits by 'main affected groups'

The most significant non-monetised benefits are the benefits from reducing the risk of individuals engaging in harmful gambling behaviour. A reduction in associated gambling harm has benefits from a reduction in individual and wider social costs arising from those suffering gambling harm. Moreover, there could be benefits to government from reduced excess fiscal costs incurred by the state as a result of individuals experiencing gambling harm (such as healthcare, welfare and criminal justice costs).

Key assumptions/sensitivities/risks**Discount rate (%)**

3.5

- Our methodology models consumer behaviour in response to stake limits. This includes stakes above proposed limits being partially recycled at lower amounts and spend displacement to other online gaming products.
- Behavioural adaptation risks include: longer session times, speed of play increasing and increased recycling intensity just below the maximum stake limit.

BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target £m:
Costs: 106.3 - 112.8	Benefits: N/A	Net: 106.3 - 112.8	531.7 - 564.0

Summary: Analysis & Evidence Policy Option 3

Description: Statutory Regulation - a £10 stake limit (complimented by a range of limits for 18 -24 year olds - £2, £4 and risk-based approach)

FULL ECONOMIC ASSESSMENT

Price Base Year 2019	PV Base Year 2020	Time period 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -544.0 - -447.4	High: -232.0 - -138.2	Best Estimate: -388.4 - -293.1

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price	Total Cost (Present Value)
Low	4.0		15.6 - 26.5	138.2 - 232.0
High	8.1		51.0 - 62.3	447.4 - 544.0
Best Estimate	6.1		33.4 - 44.4	293.1 - 388.4

Description and scale of key monetised costs by ‘main affected groups’

The most significant monetised costs will be to gambling operators. This will be in the form of a reduction in GGY as a result of a statutory stake limit of £10, complemented by a potential bespoke limit for 18 - 24 year olds.

Other key non-monetised costs by ‘main affected groups’

There is a cost associated with the theoretical decrease in utility from consumers wishing to stake amounts above the stake limit, but are unable to do so under a new limit. However, these are not quantified and our methodology allows for partial recycling of higher stakes within proposed stake limits, as well as to other gambling products within the licensed sector.

BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	N/A		N/A	N/A
High	N/A		N/A	N/A
Best Estimate	N/A		N/A	N/A

Description and scale of key monetised benefits by ‘main affected groups’

N/A

Other key non-monetised benefits by 'main affected groups'

The most significant non-monetised benefits are the benefits from reducing the risk of individuals engaging in harmful gambling behaviour. A reduction in associated gambling harm has benefits from a reduction in individual and wider social costs arising from those suffering gambling harm. Moreover, there could be benefits to government from reduced excess fiscal costs incurred by the state as a result of individuals experiencing gambling harm (such as healthcare, welfare and criminal justice costs).

Key assumptions/sensitivities/risks**Discount rate (%)**

3.5

- Our methodology models consumer behaviour in response to stake limits. This includes stakes above proposed limits being partially recycled at lower amounts and spend displacement to other online gaming products.
- Behavioural adaptation risks include: longer session times, speed of play increasing and increased recycling intensity just below the maximum stake limit.

BUSINESS ASSESSMENT (Option 3)

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target) £m:
Costs: 34.1 - 45.1	Benefits: N/A	Net: 34.1 - 45.1	170.3 - 225.6

Summary: Analysis & Evidence Policy Option 4

Description: Statutory Regulation - Description: Statutory Regulation - a £15 stake limit (complimented by a range of limits for 18 -24 year olds - £2, £4 and risk-based approach)

FULL ECONOMIC ASSESSMENT

Price Base Year 2019	PV Base Year 2020	Time period 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -450.2 - -346.6	High: -211.2 - -116.0	Best Estimate: -330.7 - -231.3

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price	Total Cost (Present Value)
Low	4.0		13.0 - 24.1	116.0 - 211.2
High	8.1		39.3 - 51.4	346.6 - 450.2
Best Estimate	6.1		26.2 - 37.7	231.3 - 330.7

Description and scale of key monetised costs by ‘main affected groups’
The most significant monetised costs will be to gambling operators. This will be in the form of a reduction in GGY as a result of a statutory stake limit of £15, complemented by a potential bespoke limit for 18 - 24 year olds.

Other key non-monetised costs by ‘main affected groups’
There is a cost associated with the theoretical decrease in utility from consumers wishing to stake amounts above the stake limit, but are unable to do so under a new limit. However, these are not quantified and our methodology allows for partial recycling of higher stakes within proposed stake limits, as well as to other gambling products within the licensed sector.

BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	N/A		N/A	N/A
High	N/A		N/A	N/A
Best Estimate	N/A		N/A	N/A

Description and scale of key monetised benefits by ‘main affected groups’
N/A

Other key non-monetised benefits by 'main affected groups'

The most significant non-monetised benefits are the benefits from reducing the risk of individuals engaging in harmful gambling behaviour. A reduction in associated gambling harm has benefits from a reduction in individual and wider social costs arising from those suffering gambling harm. Moreover, there could be benefits to government from reduced excess fiscal costs incurred by the state as a result of individuals experiencing gambling harm (such as healthcare, welfare and criminal justice costs).

Key assumptions/sensitivities/risks**Discount rate (%)**

3.5

- Our methodology models consumer behaviour in response to stake limits. This includes stakes above proposed limits being partially recycled at lower amounts and spend displacement to other online gaming products.
- Behavioural adaptation risks include: longer session times, speed of play increasing and increased recycling intensity just below the maximum stake limit.

BUSINESS ASSESSMENT (Option 4)

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target £m:
Costs: 26.9 - 38.4	Benefits: N/A	Net: 26.9 - 38.4	134.3 - 192.1

Annex II: Consultation Questions

Q1) For the purposes of introducing a maximum stake limit, the government intends to align with the definition of online slots used by the Gambling Commission. We therefore intend for the limit to apply to:

‘Remote casino games of a reel-based type (including games that have non-traditional reels or which combine elements of other games within a slot game mechanic).’

Q1a) Does this description of online slots adequately describe the products in scope of a maximum stake limit? (Mandatory response)

Yes / No / I don't know

Q1b) Please explain your answer.

Open text box (Optional response)

Q2) The government is developing a description of a maximum stake. This description will be adapted in legislation to introduce a maximum stake limit. The proposed description of a maximum stake is:

“Maximum stake per spin” means the maximum amount a player can pay or risk per spin or game cycle”

Q2a) Is this description of stake suitable for the purpose of the introduction of a maximum stake limit for online slots games? (Mandatory response)

Yes / No / I don't know

Q2b) Please explain your answer. (Optional response)

Open text box

Q3) For the purposes of introducing a maximum stake limit per spin or game cycle, the government intends to align with the definition of game cycle used by the Gambling Commission's Remote Technical Standards. Game cycle is defined as:

“A game cycle starts when a player depresses the ‘start button’ or takes equivalent action to initiate the game and ends when all money or money's worth staked or won during the game has been either lost or delivered to, or made available for collection by the player and the start button or equivalent becomes available to initiate the next game.”

Q3a) Is this description of game cycle suitable for the purpose of the introduction of a maximum stake limit for online slots games? (Mandatory response)

Yes / No / I don't know

Q3b) Please explain your answer. (Optional response)

Open text box

Q4) The government is aiming to introduce a maximum stake limit that strikes an appropriate balance between preventing harm and preserving consumer freedoms.

Q4a) What maximum stake limit for online slot games would you support, if any? (Mandatory response)

£2 / £5 / £10 / £15 / None of the above / I don't know

Q4b) Please explain your answer, providing evidence where possible. (Optional response)

Open text box

Q5) The government is seeking a balanced approach to the protection of young adults. We recognise the evidence of risks which can accompany potentially vulnerable young adults gambling on high risk online slots at high stakes, but also that as adults we must treat those aged 18-24 fairly and proportionately.

Q5a) What maximum stake, if any, do you support for young adults aged 18-24?

(Mandatory response)

£2 / £4 / Consistent with the limit for all adults but with extra operator vigilance / None of the above / I don't know

Q5b) Please explain your answer and reference any relevant supporting evidence if appropriate.

(Optional response)

Open text box

Q6) The options considered throughout this consultation are likely to have significant impacts on both gambling customers (including those being harmed by gambling) and businesses. Our impact estimates for each option under consideration are considered in full in the consultation stage impact assessment.

Q6a) Are there any additional impact considerations, including on the assumptions in the accompanying Impact Assessment, or on the risk of unintended consequences?

(Mandatory response)

Yes / No / I don't know

Q6b) Please explain your answer and provide relevant evidence. (Optional response)

Open text box

Q7) The Department for Culture, Media and Sport will have due regard to the public sector equality duty, including considering the impact of these proposals on those who share protected characteristics, as provided by the Equality Act 2010.

Q7) Please indicate if you believe any of the proposals in this Consultation are likely to impact persons who share such protected characteristics and, if so, please explain which group(s) of persons, what the impact on any such group might be and if you have any views.

(Optional response)

Open text with option for attachment

Q8) Are there any other factors or points you wish to highlight that have not been considered above? (Optional response)

Open text with option for attachment

Q9) Please upload any further supporting evidence that you wish to share. (Optional response)

File upload