

Category C & complex D technical standards

**Responses document
November 2011**

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1 Introduction

- 1.1 This paper sets out the Gambling Commission's (the Commission's) position following the responses to the review of certain aspects of the technical standards applicable to category C gaming machines (the standards).
- 1.2 The purpose of the standards is to set out in detail the Commission's requirements with respect to game features, display notices and general machine operation including metering. The standards have been developed to help ensure that the Commission's three licensing objectives are met. The licensing objectives are to:
- prevent gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime
 - ensure that gambling is conducted in a fair and open way
 - protect children and other vulnerable persons from being harmed or exploited by gambling.
- 1.3 The consultation opened on 4 February 2011 and closed on 3 May 2011. Thirty-two responses were received, all from the gambling industry. A list of respondents can be found at Annex A. The Commission is grateful to all those who responded.
- 1.4 It is necessary to allow the European Commission the statutory 12 week period to comment on the proposals in so far as they constitute technical standards in relation to gaming machines. This period ended on 7 November 2011 and the amendments to the standards are now effective.

2 Amendments

Speed of play: Section 5.7

Consultation questions

Q1. Which option do you prefer, and why?

Q2. Do you have any alternative options to suggest?

- 2.1 Speed of play restrictions vary between gaming machine categories. The current standards relating to Category C and D (complex) state:
- Where the stake is 60p or less, each game cycle must take no less than 1.5 seconds to complete and the average duration of a game taken over one hour should not be less than 2.5 seconds.
- Where the stake is greater than 60p, each game cycle must either:
- take no less than 1.5 seconds to complete and the average duration of a game taken over one hour should not be less than 3 seconds or
 - take no less than 2.5 seconds to complete.
- 2.2 Prior to June 2009, the standards required a minimum duration of 1.5 seconds per game cycle, with an average duration taken over one hour of not less than 2.5 seconds.
- 2.3 The consultation paper proposed four options:
- Option A: 1.5 second minimum speed of play
 - Option B: 1.0 second minimum speed of play
 - Option C: no minimum speed of play
 - Option D: maintain the status quo.

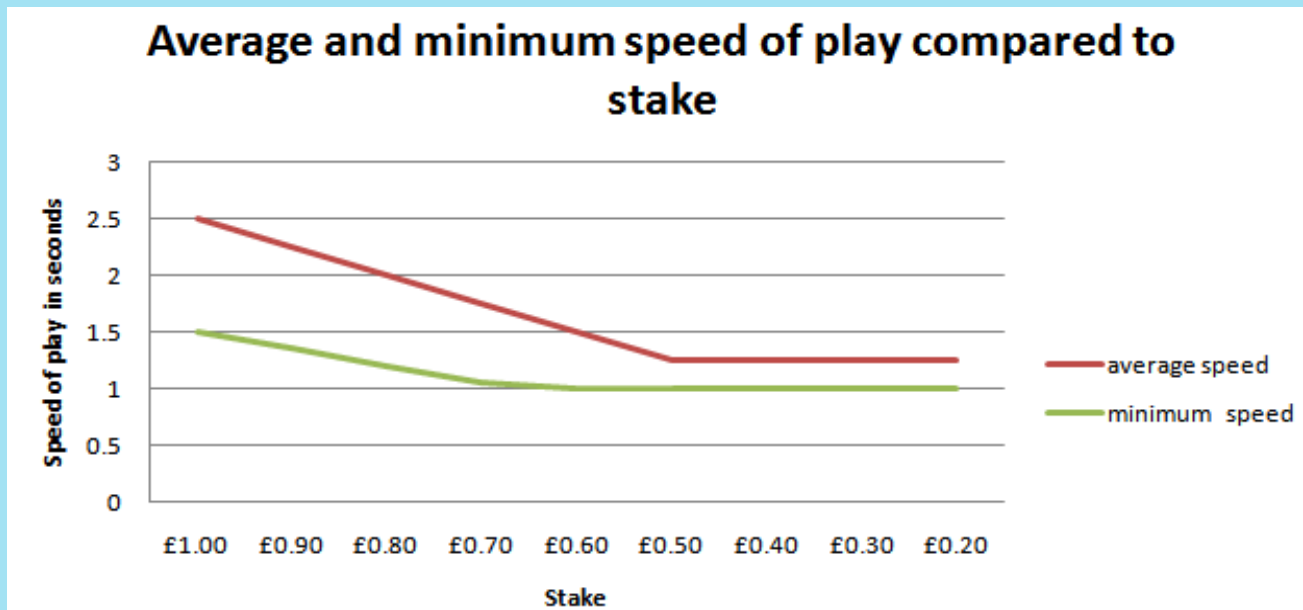
All options require a minimum average duration of 2.5 seconds, taken over one hour, for games played at the maximum statutory stake.

- 2.4** All responses preferred Option B (1.0 second minimum speed of play). The majority of respondents indicated that Option B would increase the commercial viability of games at lower stakes without prejudicing the licensing objectives. One response in favour of Option B noted that Option C (no minimum speed of play) could be open to exploitation by manufacturers. All responses emphasised that Option B would provide greater flexibility and variety in Category C games.
- 2.5** The Commission has sought advice from the Responsible Gambling Strategy Board (RGSB) on the proposed amendments to speed of play. The RGSB has indicated that in the absence of other considerations, the lack of evidence on the impact of changes to speed of play at this magnitude would suggest maintaining the current position. The RGSB notes that there is insufficient evidence to determine whether the increased speed of play associated with options B and C would have an effect on problem gambling, although there is some indirect evidence that increased speed of play may increase harm. Further, the RGSB noted that it is difficult to separate the effects of different speeds of play from other machine characteristics.
- 2.6** However, the RGSB acknowledges that the industry's proposals for machines with greater variability in game speeds would increase the commercial incentives to invest in new machines and to replace legacy machines. Taking full account of the RGSB's advice on potential risk from speed of play which reinforces the desirability of legacy machines being replaced, the Commission considers that a minor increase in average game speed is justified, on the basis this will lead to early substantial reduction in the number of legacy machines.

The Commission's position

- 2.7** With the exception of Option C, none of the options presented by the consultation document present a significant change to the minimum duration of game cycle. All options require a minimum average duration of 2.5 seconds, taken over one hour, for games played at the maximum statutory stake.
- 2.8** There is a lack of evidence to help us identify at what point speed of play enhances risk of harm amongst vulnerable gamblers, or make discriminations between speeds of play with a precision of fractions of seconds. This consultation has not brought forward any evidence in this regard. The Commission acknowledges the valuable input provided by the RGSB and recognises the difficulties posed by the lack of specific research.
- 2.9** The Commission is satisfied that a 1.0 second minimum duration of game cycle will provide benefits in terms of making lower stake games more commercially viable and allowing the development of more interesting features, without compromising the licensing objectives. It is noted that high tech feature games are generally played at a slower speed than the current minimum (averaging approximately five seconds) and that slower games are not commonly associated with the development of problem gambling. Therefore the Commission accepts that making such games more appealing is unlikely to prejudice the licensing objectives and instead places more emphasis on entertainment.
- 2.10** The Commission takes account however of the RGSB's caution over speed of play and therefore considers that the average duration taken over one hour, which will particularly affect low tech single stake games, should not be scaled to the extent proposed in the consultation document. Instead, a minimum average duration taken over one hour should be set at 1.25 seconds for a 50p stake. To clarify, this would mean the average minimum duration, taken over one hour, would be 2.5 seconds for a £1 stake and then be scaled down to 1.25 seconds for a 50p stake. Regardless of stake, no individual game could be quicker than the 1.0 second floor. The Commission considered setting the average minimum duration such that the stake would be 60p, however this would not be commercially attractive due to the need for multiple coins.

2.11 This scaling is represented graphically below.



2.12 The Commission recognises the rationale for change the industry has put forward in terms of creating additional commercial pressures to invest in new machines and remove legacy machines from the market. We expect the industry to make real progress towards the elimination of such machines from the estate. We will continue to monitor the number of legacy machines available for use by way of regulatory returns. Should the expected acceleration in the removal of legacy machines not occur the Commission will consider taking formal action on legacy machines.

2.13 The Commission considers this proposal to take account of the evidence on the potential harm from speed of play and the impact on removal of legacy machines many of which have much faster games. The standards will be amended thus:

Section 5.7

When played at the statutory maximum stake, each game cycle must take no less than 1.5 seconds to complete and the average duration of games, taken over one hour, should not be less than 2.5 seconds.

For this purpose, a game played at less than the statutory maximum stake should be considered as a proportion of one played at the maximum permissible stake (e.g. 2 x 50p games would be considered to be equivalent to 1 x £1 game) with regard to both average and minimum duration.

Regardless of stake, the minimum duration of any game should not be less than 1.0 second and the average duration of games, taken over one hour, should not be less than 1.25 seconds.

A game cycle starts when a player using a gaming machine once* has paid for each gamble selected and 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 either been 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.

Where auto play or auto start is permitted then a game cycle is measured from the point at which the game is initiated by the system (equivalent to the player depressing the start button) to the point at which it is able to automatically start the next game.

*Within the meaning of the Category of Gaming Machine Regulations 2007

Live jackpots: Section 5.9

Consultation questions

Q3. Do you agree with the proposed drafting of section 5.9?

Q4. Do you have any comments to make in relation to section 5.9?

2.14 The consultation paper proposed amendments to section 5.9 to remove the unintended restriction imposed by the technical standards in combination with the Gaming Machine (Circumstances of Use) Regulations 2007 (the regulations). This is explained in the Commission's position below.

2.15 All respondents supported the proposed drafting of section 5.9. The majority of respondents commented that the proposed amendments would provide players with an enhanced product without prejudice to the licensing objectives. Three respondents noted that the proposed amendments would correct the unintended restriction imposed by the interaction between the technical standards and the regulations. One respondent indicated that although they support the proposed amendments, they would have preferred provisions for jackpots linked between multiple machines.

The Commission's position

2.16 The regulations stipulate that the "winner must have an opportunity to collect the whole amount of the prize he has won", whilst the technical standards only allow such a feature to be incremented at a standard rate each game (which is generally a value less than £1). Payment mechanisms are often designed only to pay out £1 coins which means this feature is not easily compatible with category C machines. The proposed amendments would enable machines to operate live jackpot features which increment in amounts of less than £1 without the need to use ticket out or other non-cash payment methods.

2.17 The live jackpot feature is common in many legacy machines and is already operated in venues that use TITO (ticket in/ticket out) systems with no evidence of harm. The proposed amendments to section 5.9 retain the existing controls to prevent the live jackpot from increasing out of proportion with the stake played. In addition, the prohibition on predictability prevents deliberate inducements (such as enriched periods).

2.18 For the reasons stated above, and in the absence of any opposition to the proposed amendments to section 5.9, the Commission will implement the revised drafting as outlined in the consultation document (reproduced below). The Commission is aware that these amendments may need to be replicated across technical standards for all categories of machine in order to remove the unintended restriction imposed by the technical standards and regulations in combination. This will be further considered in future.

2.19 The Commission has no intention of exploring the possibility of allowing jackpots to be linked between multiple machines. Linking machines in this way is prohibited by section 244 of the Act and is therefore beyond the scope of the standards.

Section 5.9

Except for a live jackpot, no gaming machine must offer prizes which increase or appear to increase from one game to the next. A live jackpot must not be linked to any other gaming machine and must comply with the following rules:

- a. for an electronically displayed live jackpot the true value (the prize value which may be won within the game) must be displayed to the player at all times and must be

available in every game. It may only be won as a result of either:

- i. a random outcome within the game; or
 - ii. the proportion of total money contributed to the jackpot reaching a randomly pre-determined trigger limit;
 - iii. the trigger value of the live jackpot must not be predictable to the player.
- b. it is permissible to use physical coins in place of an electronically displayed equivalent provided that the value of prize which may be won by the player is transparent (the player must be able to reasonably assess the total prize value on offer);
 - c. the live jackpot must not be incremented by more than the money staked since the previous increment. It is not a requirement for the live jackpot and reserve (where used) to be incremented in unison or at the same rate. The chance of randomly winning the pot must not be changed in relation to its value;
 - d. the prize awarded may be comprised of a fixed value (which must be transparent to the player at all times) together with the live jackpot provided that the total (including any other prize won in the game) does not exceed the statutory maximum;
 - e. if an alternative prize option is selected, the live jackpot prize must remain unaffected. Once, however, the live jackpot option is selected, the live jackpot prize must be delivered and the live jackpot reduced to zero or its seeded value, regardless of whether the live jackpot is delivered directly or is subject to some intervening gamble or skill feature; and
 - f. the value of the live jackpot or its reserve shall not influence the chance of achieving a win within the game or be used to imply that a win is more likely.

In this section, a 'reserve meter' is a second meter or display which is used to hold any value which may be raised at the same time as the live jackpot, or which holds any overspill once the live jackpot has reached the maximum level for that category of machine.

Game links: section 5.14

Consultation questions

Q5. Do you agree with the proposed drafting of section 5.14(a)?

Q6. Do you have any comments to make in relation to section 5.14(a)?

2.20 The consultation paper proposed amendments to the restriction on game links so that these can be awarded on a better chance than even (referred to as the '50/50' rule). These amendments would allow for links to be given on a 100% basis unless a win is awarded, in which case the 50/50 rule would apply.

2.21 All respondents indicated support for the proposed amendments; with most stating that these would allow manufacturers more scope for creativity to develop interesting games whilst maintaining player protection measures and the licensing objectives. The majority of feedback indicated that these amendments would assist the removal of legacy machines. One respondent indicated that whilst they agreed with the proposed amendments, the introduction of enriched periods would be preferable.

The Commission's position

- 2.22** The technical standards will be amended to permit game links to be awarded on a 100% basis after losing games provided these comply with the conditions set out within 5.14(a). Where a prize is awarded and a game link awarded then the existing controls which would become 5.14(b) would apply.
- 2.23** Where a prize is offered but not accepted by the player, games links may be awarded on a 100% basis provided 5.14(a) is complied with. For example, where:
- Prize offered but not automatically given by a feature and is not accepted by the player
 - Nudges given (which could result in a prize but is not used/accepted)
 - Mystery prize given but contained no value
 - Mystery prize offered but not automatically given by the feature and not accepted by the player.
- 2.24** Where a prize is given to the player during the game, regardless as to whether it was subsequently gambled and lost, 5.14(b) must be invoked (therefore reverting to 50/50 link requirements). For example:
- A prize is automatically given to the player during the game
 - Offer of a prize is accepted by the player
 - Mystery prize offered and accepted by the player
 - Offer not automatically given by a feature but once accepted by the player, it becomes a prize awarded for the purpose of this section regardless as to the final outcome (eg gambled and subsequently lost).
- 2.25** These amendments will allow manufacturers to develop more entertaining games, whilst maintaining the current prohibitions on enriched periods (therefore upholding the licensing objectives). A minor amendment to section 5.14(b)g will be required to support the new section 5.14(a). The amended drafting of both provisions is set out below.
- 2.26** It is expected that these amendments will redress the balance between category C machines and legacy machines. The Commission would therefore expect these amendments to assist the removal of legacy machines from the market and will be monitoring legacy machine numbers via regulatory returns.
- 2.27** Enriched periods are prohibited by the standards (sections 5.8d; 5.14f). Given the risks posed by enriched periods to the licensing objectives, the Commission has no intention of revisiting this prohibition.

Section 5.14(a)

A 'game link' is where an element, feature or outcome from one game is either held over or made reference to (recreated) in the next game (eg reel band holds). Game links, with the exception of the live jackpot are not permissible unless they comply with the following rules:

- a. linkages to a game are only permissible from the immediately preceding completed game;
- b. it is not permissible to create a situation whereby the machine's control deliberately restores a link to any previous game by any means other than the immediately preceding completed game;
- c. it is not permissible deliberately to force or create a series of wins (enriched periods) using a link feature(s);
- d. it is not permissible to carry over a win unless section 5.14(b) is complied with;
- e. it is not permissible to link to the previous game if a prize had been awarded in that game unless section 5.14(b) is complied with.

Section 5.14(b)

A 'game link' is where an element, feature or outcome from one game is either held over or made reference to (recreated) in the next game (eg reel band holds). Game links, with the exception of the live jackpot are not permissible unless they comply with the following rules:

- a. subject to (g) any reference or link made to any previous game must occur randomly;
- b. linkages to a game are only permissible from the immediately preceding completed game;
- c. the chance of being awarded a link to the next game must be no better than even;
- d. it is not permissible to create a situation whereby the machine's control deliberately restores a link to any previous game by any means where it is broken as a result of an unfavourable outcome in a subsequent game;
- e. the player must not be aware as to whether a link will be given or have the opportunity to use it before he commits himself to the game; and
- f. it is not permissible deliberately to force or create a series of wins (enriched periods) using a link feature(s);
- g. the table below sets out the permissible number of consecutive winning games that may be linked together by reference to the maximum prize awarded and delivered to a player in any single game of this linked series of winning games. For example where no prize in any single game of a linked series exceeds £15 then it is permissible to offer the player a maximum of six successful consecutive links.

For category C machines:

Maximum prize value awarded in any single game of a linked series	Maximum number of successful consecutive links permissible
£10 or less	Unrestricted
£15 or less, greater than £10	6
£20 or less, greater than £15	5
£25 or less, greater than £20	4
£50 or less, greater than £25	3
£70 or less, greater than £50	2
£100 or less, greater than £70	1
In excess of £100	0

All games in a linked series will be otherwise separate and required to be purchased by an appropriate stake.

Annex A: List of respondents

Respondent	Type
Ace Coin Entertainments Ltd	Operator
BACTA	Trade association
BBPA	Trade association
Bell-Fruit Games	Operator
Bingo Association	Trade association
BISL	Trade association
Booths Enterprise	Operator
Capital Coin Machine Co Ltd	Operator
Danoptra Limited	Operator
Dealpraise Ltd	Operator
Dransfield Novelty Co Ltd	Operator
The Dunes	Operator
Empire Games	Operator
Gaiety (Clacton) Ltd	Operator
Gala Coral Group	Operator
Harbour Park Ltd	Operator
Linland Limited	Operator
Mitchells & Butlers Plc	Operator
Oasis Family Leisure Ltd	Operator
Praesepe Plc	Operator
The Rank Group Plc	Operator
Reflex Gaming	Operator
Sceptre Leisure Solutions Ltd	Operator
Talarius Ltd	Operator
Teddy Clark Ltd	Operator
Thomas Entertainments Limited	Operator
Town & County	Operator
Treatview Ltd	Operator
UK Piers Ltd	Operator
Wharton Amusements Limited	Operator
Whittaker Bros	Operator

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Keeping gambling fair and safe for all

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