

High turnover bingo operators and multi-operator self-exclusion requirements

Consultation response July 2016

1 Introduction

- 1.1** The Gambling Commission issued a consultation in March 2016 in relation to high turnover bingo operators and multi-operator self-exclusion. This supplementary eight week consultation sought views on whether operators that offer exempt bingo, and hold a bingo operating licence (because they reach the high turnover bingo limit), but which do not hold premises licences should be exempt from the requirement to participate in a multi-operator self-exclusion scheme.
- 1.2** The consultation closed on 25 May and we are grateful to the two organisations that responded.
- 1.3** This response summarises the responses that we received, sets out our final position following the consultation and confirms how we will amend the relevant Social Responsibility Code (3.5.6) as a result.
- 1.4** This month, we are publishing responses to a number of consultations. These include:
- Controlling where gaming machines may be played.
 - Placing digital adverts responsibly
 - Extension of the requirement to assess money laundering risk to non-remote lottery licence holders.
- 1.5** In the summer, we will publish on our website the revised consolidated LCCP, which will incorporate all the changes from the consultations conducted this year. All of the changes will come into force in the Autumn.

2 Consultation responses

- 2.1** The consultation period commenced on 29 March 2016 and closed on 25 May 2016. We received two responses to the consultation – one from the relevant trade body (the Bingo Association) and one from Castle Leisure, a bingo operator based in Cardiff which offers bingo across a number of premises as well as having an online operation.

Consultation question

- Q1. Do you agree that SR Code 3.5.6 should be amended to create an exemption for operators of high turnover bingo in alcohol licensed premises and clubs?

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Respondents' views

- 2.2** Both respondents agreed with our proposal to exempt the relevant operators. They also highlighted other issues for consideration.
- 2.3** The Bingo Association acknowledged our proposal that the amendment to Code 3.5.6 would apply **only** to those operators that offer ancillary bingo activities but do **not** hold a premises licence for the relevant premises. The Bingo Association pointed out that venues that operate high turnover bingo typically offer gaming machines under gaming or machine permits issued by a Licensing Authority, which enables up to 3 gaming machines from categories B3A, B4, C or D, with only one B3A machine being permitted (see Appendix B for categories), so they are not gaming machine free environments. Nevertheless, the risk with this complement of machines is relatively low.
- 2.4** Both the Bingo Association and Castle Leisure highlighted the need for the Commission and Licensing Authorities to have a robust information system for deciding which operators qualify for the proposed exemption from SR Code 3.5.6. They queried whether current arrangements are sufficient or whether new management systems are required to assist the process of identifying which operators should be exempt.
- 2.5** The timing of the consultation was also referenced, as it was launched in March 2016 and the deadline for complying with SR Code 3.5.6 for operators was 6 April 2016. It was said that this could be confusing for high turnover bingo operators.
- 2.6** They also expressed their view that some bingo operators are unclear about what regulations they need to comply with. The respondents have suggested that more information needs to be provided to operators to ensure that they comply with the LCCP more widely. It was also suggested that the Commission should make available evidence to show that the sub-sector being considered for exemption is fully compliant in its social responsibility duties.

Consultation question

Q2. Do you have any views on the SR Code as redrafted?

Respondents' views

- 2.7** Both respondents stated that a clear distinction needs to be made in the wording to clearly distinguish between licensed operators (who would not be required to offer multi-operator self-exclusion) and licensed operators who also hold a bingo premises licence granted by a Licensing Authority (who would be required to offer multi-operator self-exclusion).

The Commission's position

We have decided to apply the exemption on which we consulted. Therefore those operators that:

- offer exempt bingo
- hold a bingo operating licence because they reach the high turnover bingo limit
- do not hold premises licences

will not have to participate in the bingo multi-operator scheme.

This is on the basis that the type of gambling offered by such licensees is lower risk; is subject to stakes and prize limits for those offering exempt bingo; and is an ancillary activity offered as part of a wider entertainment package.

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Respondents noted that such licensees could also offer gaming machines. Pubs and clubs can offer certain categories of gaming machine within the permissions conferred by the Gambling Act, but these are more limited in number and type than those that may be made available if the gambling is taking place at a licensed gambling premises (i.e. for bingo, to additionally hold a bingo premises licence issued by the Licensing Authority). There are also no requirements for self-exclusion to be available in clubs or pubs that provide bingo lower than the high turnover bingo threshold and simply offer the number and categories of machine permitted under the rules for those premises. We therefore consider that it would be disproportionate to require those operators that offer exempt bingo, and hold a bingo operating licence because they reach the high turnover bingo limit, but do not hold premises licences, to participate in the bingo multi-operator self-exclusion scheme.

We understand the views expressed by respondents about the need for information about the numbers of operators and their connected premises. However, in this case, we consider the more important aspect is that licensees need to have a clear understanding of their regulatory requirements. We will therefore amend our existing advice to operators on our website to help them understand the requirements which apply to them.

The consultation was published shortly in advance of the coming into force date of the requirement for operators to take part in a multi-operator self-exclusion scheme. Before this, we advised all operators that we would be carrying out this consultation and that we would not take regulatory action against such licensees until the position was resolved. The bingo multi-operator scheme administrators ensured that no such operators signed up to such a provision.

Both respondents agreed with the proposed amendment but queried the clarity of the proposed wording. Both thought that the wording should be re-drafted to distinguish between licensed operators and licensed operators who also hold a bingo premises licence granted by a Licensing Authority. We have decided to retain the wording for the code provision as consulted upon because it is the most efficient means of ensuring that these types of bingo operators will not be required to offer multi-operator self-exclusion. However, we will provide advice on our website (and through ongoing communication) to help operators understand the requirements which apply to them.

Conclusion

We intend to exempt from the existing code operators that offer exempt bingo, and hold a bingo operating licence (because they reach the high turnover bingo limit), but who do not hold premises licences. We will achieve this by amending the relevant Social Responsibility Code in the following way:

Social responsibility code provision 3.5.6

Self-exclusion – multi-operator non-remote SR code

All non-remote casino licences, bingo licences and betting licences (except in respect of the provision of facilities for betting in reliance on a track premises licence) and holders of gaming machine general operating licences for adult gaming centres

Licensees must offer customers with whom they enter into a self-exclusion agreement in respect of facilities for any kind of gambling offered by them at licensed gambling premises the ability to self-exclude from facilities for the same kind of gambling offered in their locality by any other holder of an operating licence to whom this provision applies, by participating in one or more available multi-operator self-exclusion schemes.

Appendix A

- A.1** The Act provides provisions to prevent bingo becoming a predominant commercial activity on such non-gambling premises as alcohol licensed premises and clubs. Where the level of bingo played in these premises reaches a certain threshold, it will no longer be within the rules that allow it to operate without an operating licence; and a bingo operating licence will have to be obtained from the Commission if bingo is to continue to be offered above the aggregate stake or prize thresholds. Even in this circumstance, bingo can still only be offered under the relevant rules for exempt gaming.
- A.2** The threshold is reached if the bingo played during any seven-day period exceeds £2,000 (either in stakes or prizes awarded). This is referred to as 'high turnover bingo' and triggers an (effectively 51 week) 'high turnover period' starting at the end of that seven days. There is a legal duty on the alcohol licensee or club to inform the Commission that a high turnover period has begun. This allows the Commission to monitor the bingo activity on the premises, and discuss with the relevant alcohol licensee or club the point at which a bingo operating licence may be needed. High turnover bingo may not be played during a 'high turnover period' unless an operating licence is in place.

Appendix B

- B.1** B3A machine criteria:
- £2 minimum stake.
 - £500 maximum win.
 - Allowed in members' club or miners' welfare institute only.
- B.2** B4 machine criteria:
- £2 minimum stake.
 - £400 maximum win.
 - Allowed in members' club or miners' welfare club, commercial club and other gambling venues such as betting premises; casinos; adult gaming centres and tracks occupied for pool betting.
- B.3** Category C machine criteria:
- £1 minimum stake.
 - £100 maximum win.
 - Allowed in family entertainment centre (with Commission operating licence), qualifying alcohol licensed premises (without additional gaming machine permit), qualifying alcohol licensed premises (with additional LA gaming machine permit) and other gambling venues such as betting premises; casinos; adult gaming centres and tracks occupied for pool betting.
- B.4** Category D machine criteria:
- £0.10p minimum stake.
 - £5 maximum win.
 - Allowed in travelling fairs, unlicensed (permit) family entertainment centre and other gambling venues such as qualifying alcohol premises betting premises; casinos; adult gaming centres and tracks occupied for pool betting.

Appendix C

Respondents to the consultation

Respondent	Organisation type
The Bingo Association	Trade Association
Castle Leisure Limited	Gambling Operator

Gambling Commission July 2016

Keeping gambling fair and safe for all

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