

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

**March 2016**

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# 1 Introduction

- 1.1 During 2014, the Gambling Commission (the Commission) conducted a consultation about proposed amendments to the social responsibility provisions in our *Licence conditions and codes of practice* (LCCP). The changes we proposed reflected developments in social responsibility practice and significantly improved understanding of risk since we first published the LCCP in 2007.
- 1.2 Following consultation we confirmed changes in a number of areas, one of which was the introduction of a Social Responsibility Code (SR Code) 3.5.6 that requires operators to offer multi-operator self-exclusion allowing customers to exclude themselves from other premises that offer the same type of gambling in their locality.
- 1.3 The requirement for participation in a multi-operator self-exclusion scheme by 6 April currently applies to all those that hold bingo operating licences. This includes operators who offer bingo as exempt gaming in a club<sup>1</sup> or an alcohol licensed premises, but exceed the threshold for high turnover bingo (see appendix 1 for further details on high turnover bingo) and so hold an operating licence. We consider this to be a relatively low risk form of gambling, and not their primary activity and so the requirement to join a multi-operator self-exclusion scheme could be considered disproportionate. As such, this consultation sets out a proposed amendment to that SR Code, to clarify its application.
- 1.4 The proposed amendments in this consultation will be of particular interest to:
- operators of alcohol licensed premises and clubs<sup>1</sup> who hold a bingo operating licence as a result of reaching the threshold for high turnover bingo
  - other operators that hold bingo operating licences.
- 1.5 Following this consultation, and taking into account the responses received, we expect to amend the relevant social responsibility code of practice provision. The amended provision is expected to come into force in 2016.
- 1.6 Whilst the issue is being considered we will not undertake any regulatory action against operators within the affected group for non-compliance with the current version of the SR Code. If the proposed amendment is not implemented we will also extend the period in which this group has to comply with the existing version.

# 2 Background

- 2.1 Bingo can be offered legally within Great Britain either by those holding both a bingo operating and premises licence or by those who meet the requirements for certain types of exempt gaming – that is gaming that does not require a licence to operate. There are different forms of the latter, including non-commercial, prize gaming etc, this consultation only relates to exempt gaming as offered by clubs and alcohol licensed premises under sections 269 and 279 respectively. This form of exempt gaming places restrictions on how bingo may be offered and it is intended that the offer is bingo as ancillary to the normal activities of the venue, eg a social club or pub that offers occasional games for its members or customers.

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<sup>1</sup> Limited to:

- members' clubs (as defined by section 266)
- commercial clubs (as defined by section 267)
- a club that would be a members' club but for section 266(1)(a)
- a club that would be a commercial club but for section 267(1)(a)
- a miners' welfare institute (as defined by section 268)

- 2.2** Section 269 (supported by secondary legislation) sets out the rules for exempt gaming in clubs, in summary this states that:
- the amount that may be staked or paid out in prizes can be limited in regulations (currently not limited for bingo)
  - no amount can be deducted or levied from money staked or won
  - any participation fee charged does not exceed any maximum prescribed in regulations<sup>2</sup> (see table below for details)
  - games may only be played on one set of premises and cannot be linked with a game played on another set of premises
  - and that in the case of specified clubs, only members or guests of members of those clubs may participate.

	Participation fee limit (per person/per day)
No club gaming permit held	£1 or £3 in the case of a commercial club that holds a club machine permit
Club gaming permit held	£3 exclusive of VAT

- 2.3** Section 279 places similar rules on alcohol licensed premises, these are:
- the amount that may be staked or paid out in prizes can be limited in regulations (currently limited to a maximum stake of £5 by any person in a game for bingo, no limits on prizes)
  - no amount can be deducted or levied from money staked or won
  - no participation fee may be charged
  - games may only be played on one set of premises and cannot be linked with a game played on another set of premises
  - children and young persons are excluded from participation in the gaming.

**2.4** Where these conditions are met, no operating or premises licence is required. However, if the bingo offered exceeds a certain threshold then an operating licence is required. This is known as high turnover bingo. Operators, who offer high turnover bingo will not require a premises licence, so long as they continue to offer it within the exempt gaming rules set out above. Sections 275 and 281 of the Act, set out the respective thresholds for clubs and alcohol licensed premises (see appendix 1).

**2.5** Without a premises licence these premises are limited to the machine entitlements permitted for the type of club and related permit they hold or the number and categories permitted in alcohol licensed premises.

**2.6** Currently all those holding a bingo operating licence will be required to participate in the multi-operator scheme. Thus clubs and alcohol-licensed premises, such as pubs, that offer exempt bingo but have reached the threshold for high turnover bingo and therefore require a bingo operating licence if high turnover bingo is to be offered in the ensuing 51 weeks, are required to participate in the bingo multi-operator scheme once it is developed.

**2.7** The inclusion of this group of licensees (ie: those offering high turnover bingo under an operating licence) was not specifically discussed during the consultation on the changes to social responsibility provisions in LCCP, and so it is by default related to their holding a bingo operating licence and not through any specific consideration that they are subject to the code. Having reviewed this, the Commission considers that there are a number of reasons why this group of operators should not be subject to this SR Code, as follows:

<sup>2</sup> SI No. 1944; The Gambling Act 2005 (Exempt Gaming in Clubs) Regulations 2007

- In order to continue operating without the need for a premises licence, high turnover bingo operators must still comply with rules for exempt gaming relevant to their type of premises. So the limits on stakes and prizes (per game) are the same as those for clubs and pubs below the threshold, the only difference is that the volume of play or value of prizes offered is greater.
- We consider the traditional game of bingo alone to be a relatively low risk activity.
- The codes of practice for gaming in clubs and alcohol-licensed premises set out the safeguards considered appropriate for those types of premises. If the owner of the club has an operating licence it doesn't change the nature of the premises. For example, the premises must still be a 'fishing club' and not a commercial bingo premises (gaming must remain ancillary to fishing).
- Members' clubs would need to invest in facilities in order to effectively link into the national multi-operator bingo self-exclusion scheme. It would be difficult to justify why a premises that has significant commercial restrictions and offers gambling on a smaller scale would be expected to incur the costs of participating in a scheme.
- Gaming machine entitlement remains the same whether an operating licence is held or not, there are no requirements for self-exclusion in clubs or pubs that simply offer the number and categories of machine permitted under the rules for those premises.

**2.8** Given that the gambling offered is low risk and an ancillary activity, there seems to be a good case for operators to be exempt from the requirement to participate in the multi-operator self-exclusion scheme. We consider that the only exception to this is for those operators that choose to become fully commercial bingo operations and would be able to take up a greater machine entitlement, by additionally applying for and obtaining a premises licence as they would be offering a harder form of gambling by virtue of the combination of their bingo operating and bingo premises licences (note that there may be issues with this sort of application without significant changes to the structure of the operations of the club or pub that was seeking the premises licence – see our consultation *Controlling where gaming machines may be played*). Some of these types of premises will offer certain categories of gaming machine within the permissions conferred by the Gambling Act, but these are far more limited in number and type than those that may be made available under a bingo premises licence.

## 3 Proposal

**3.1** That 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 are exempted from participation in the bingo multi-operator scheme.

**3.2** That this is achieved 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**

#### **This provision comes into force on 6 April 2016**

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.

## Consultation questions

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

## 4 How to respond to this consultation

- 4.1 The Commission is committed to full and open consultation and would welcome comments on any aspect of this consultation. A response template will be available on our website. The Commission would prefer respondents to complete the response template provided and send it by email to: [consultation@gamblingcommission.gov.uk](mailto:consultation@gamblingcommission.gov.uk)
- 4.2 Alternatively, responses can be sent by post to:  
Consultation  
Gambling Commission  
Victoria Square House  
Victoria Square  
Birmingham  
B2 4BP
- 4.3 The deadline for responses to this consultation is **25 May 2016**. Respondents are of course welcome to comment on any or all of the areas addressed by this consultation.
- 4.4 When responding, please state whether you are responding as an individual or representing the views of an organisation. If responding as an individual, please mention your own interest.
- 4.5 Please note that responses may be made public or published in a summary of responses to the consultation unless you state clearly that you wish your response and/or name to be treated confidentially. Confidential responses will be included in any statistical summary of numbers of comments received. If you are replying by email or via the website, unless you specifically include a request to the contrary in the main text of your submission, the Commission will assume your consent overrides any confidentiality disclaimer that is generated by your organisation's IT system.
- 4.6 Any information or material sent to us and which we record may be subject to the Freedom of Information Act 2000 (FOIA). The Commission's policy on release of information is available on request or by reference to our website at [www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk). The Commission will treat information marked confidential accordingly and will only disclose that information to people outside the Commission where it is necessary to do so in order to carry out the Commission's functions or where the Commission is required by law to disclose the information. As a public authority the Commission must comply with the requirements of FOIA and must consider requests for information made under the Act on a case-by-case basis. Therefore when providing information, if you think that certain information may be exempt from disclosure under FOIA, please annotate the response accordingly so that we may take your comments into account.
- 4.7 All information provided to the Commission will be processed in accordance with the Data Protection Act 1998. However, it may be disclosed to government departments or agencies, licensing authorities and other bodies when it is necessary to do so in order to carry out the functions of the Commission and where the Commission is legally required to.

## Appendix 1: High turnover bingo

- A1.1** 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.
- A1.2** 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.

Gambling Commission March 2016

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### Keeping gambling fair and safe for all

For further information or to register your interest in the Commission please visit our website at: [www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk)

Copies of this document are available in alternative formats on request.

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