PRESS STATEMENT

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New research funded by Responsible Gambling Trust (RGT) poses challenging questions for gambling industry, regulators and Ministers.

London, May 25: The Responsible Gambling Trust today publishes new research that poses questions for the gambling industry, regulators and Ministers. NatCen Social Research, Geofutures and Featurespace, were commissioned by RGT to address research questions set out by the Responsible Gambling Strategy Board (RGSB).

Findings from Geofutures reveal that rates of problem gambling are higher among those who lived near 'clusters' of bookmakers. Whilst the correlation does not necessarily prove causation, this is the first time that research has confirmed this relationship.

NatCen Social Research and Featurespace, used a 2014 survey of more than 4,000 machines gamblers in bookmakers and data from the 10% of players who have a bookmaker loyalty card. The limited nature of this sample data means that, while insightful, findings from this study are not representative of all people who gamble on B2 machines, but of highly engaged players only.

The research looked at £100 stakes on FOBTs and at-risk groups:

- Overall 16% of regular loyalty card users had placed a maximum bet of £100 on B2 machines.
- However, stakes of £100 are rare – only accounting for one in every 388 bets. In a typical scenario £100 stakes happen less at the beginning of a playing session but are more common at later stages.
- There is a correlation between problem gambling and use of the £100 maximum stakes. Problem gamblers are more likely to place a £100 stake on B2 machines than non-problem gamblers.
- There is a correlation between certain at-risk groups and the use of the £100 maximum stake on B2 machines. Minority ethnic groups are more likely to place a £100 stake, and the unemployed are more likely to place a £100 stake more often.

The findings also highlight different player behaviour patterns, which can be used to support identification of problem gambling:

- Four different types of problem gamblers were identified, deepening our understanding of different player behaviours – Introspective, Control-loss, Diverse Aware and Severe Aware.
- The most informative aspects of problem gambling behaviour are 'chaotic' variation in choice of stake and amounts of money loaded.
- Somewhat counter to general expectation, problem gamblers are likely to win more often, have a higher average return on money spent, but also to have higher one off losses.

Marc Etches, Chief Executive of the Responsible Gambling Trust, who funded the review said:

"The Responsible Gambling Trust focus is not just about funding treatment – it's about preventing the harm and misery caused by problem gambling. This research deepens our understanding of problem gambling, specifically associated with regular users of B2 and B3 gaming machines.

"This research poses some challenging questions for the bookmaking industry, for regulators and for Ministers, on the effect of clustering and the maximum stakes on FOBTs in particular. However, it also reinforces our belief that we need to tackle all forms of gambling related harm – rather than focus on one narrow category or location.

The aim for all RGT funded research is to help us better identify and support people at risk of harm, whatever form of gambling they are using. Today's findings show promising development in the potential to identify risky patterns of play on gaming machines, and therefore design more effective intervention methods in the future."

Heather Wardle, lead project researcher from National Centre for Social Research, said:
"This research confirms for the first time that there is a correlation between problem gambling and use of the £100 maximum stakes on B2 machines. It also shows not all problem gamblers are the same. That means that different algorithms may be better at picking up different types of problem gamblers, which will help in developing the next generation of intervention methods."

Gaynor Astbury, lead researcher from Geofutures, said:
"Our research has shown that the spatial configuration of LBOs with B2 machines is related to levels of problem gambling. Problem gambling prevalence rates were higher among those living in areas of higher density LBO concentrations. However, we cannot say that these concentrations cause problem gambling. When thinking about these areas, we suggest there is a need to consider local population characteristics to help understand this trend. "

David Excell, CTO & Co-founder of Featurespace, said:
"Reverse engineering of player data revealed that diversification characteristics, based on money loaded and money spent, can play a role in identifying problem gambling."

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NOTES TO EDITORS

- The Responsible Gambling Trust's programme of treatment, education, harm prevention and research are guided by the National Responsible Gambling Strategy, which is defined by the independent Responsible Gambling Strategy Board (RGSB) and endorsed by the Gambling Commission. The RGSB, the Gambling Commission and RGT work together under the terms of an agreement in place since 2012. RGT has either lead responsibility or a supporting role in all twelve of the priority actions identified in the RGSB strategy, and was consulted during drafting.

- The Responsible Gambling Strategy Board set the following questions for this research:
    - What is the percentage of income from 'problem gamblers' within the sample?
    - What is the loss distribution by decile?
    - Understanding problem gamblers better: Can the range of linked data set variables be examined through a process of 'reverse engineering' to explore whether any other variables might play a useful role within the development of algorithms?
    - What else might we learn from about problem gamblers from the loyalty card survey data?
    - Can problem gambler typologies be developed?
    - What are the differences in demographics between B2/B3 players? What else can we learn about players' transitions between B2 and B3 content?
    - What further descriptive data can be extracted about the £100 stake?
    - What are the differences in behaviour when players are spending wins vs loading their own new money into the machine?
    - Whether there are any correlations with engagement and problem gambling and clusters of betting shops?

- The Responsible Gambling Trust is the leading charity in the UK committed to minimising gambling-related harm. As an independent national charity funded by donations from the gambling industry, the Responsible Gambling Trust funds education, prevention and treatment services and commissions research to broaden public understanding of gambling-related harm. The aim is to stop people getting into problems with their gambling, and ensure that those that do develop problems receive fast and effective treatment and support. Click here to find out more: http://www.responsiblegamblingtrust.org.uk/

- The Responsible Gambling Trust raises over £6.5 million each year in voluntary contributions from the gambling industry operating in Great Britain. This donation based system was proposed under the Gambling Act 2005 and is prescribed by the Gambling Commission in its Licence Conditions and Codes of Practice.

- National Centre for Social Research is an independent, not for profit organisation. We believe that social research has the power to make life better. By really understanding the complexity of people's lives and what they think about the issues that affect them, NatCen gives the public a powerful and influential role in shaping decisions and services that can make a difference to everyone.

- Geofutures is an independent consultancy founded in 2002. It specialises in applying geographic information science (GIS) disciplines to analysing data and providing organisations with accessible evidence on which to base commercial and strategic decisions. Geofutures built its fourteen-year experience on commercial delivery of academic-standard research, largely to blue-chip commercial clients, government departments and agencies, and major charities.

- Featurespace™ is the world-leader in Adaptive Behavioural Analytics and creator of the ARIC™ engine, a machine learning software system which understands individual behaviours in real-time for decision making around fraud, risk and compliance.

- This research is based on a 2014 survey of 4,001 machines gamblers in bookmakers and anonymous data from bookmaker's loyalty card holders, who represent approximately 10% of players.

- The three reports and two summaries are available on the Responsible Gambling Trust website here: http://www.responsiblegamblingtrust.org.uk/research/research-publications/ under "Secondary analysis into Category B2 and B3 gaming machines"