

DCMS - Gambling White Paper – Proposed Land-Based Gambling Reform

In 2023 the Department for Culture, Media & Sport (DCMS) outlined the Government’s intention to review the law governing land-based gambling venues. The proposed steps outlined included the introduction of cashless payments on gaming machines and ending the current prohibition on the direct use of debit cards on gaming machines. In summary the proposed measures were:

- Casino measures
- Machine allowance in amusement arcades and bingo halls
- Cashless payments on gaming machines
- Introduction of an age limit on ‘cash-out’ slot-style Category D Gaming Machines
- Licensing Authority licensing fees

The consultation on the above measures closed on 4 October 2023. Following the closure of the consultation, the Government will look to publish a formal response to set out their decision and reasoning before implementing the changes.

Details of the proposed measures, in relation to gambling premises licensed with this Authority, are set out below.

All the proposed measures will require secondary legislation in Parliament, and it was indicated that the implementation for the new measures was being aimed for Summer 2024. However, this timeline will be subject to Parliamentary availability and procedures.

Casino Measures

Land-based casinos operate under two licensing regimes: the Gaming Act 1968, and the Gambling Act 2005. These regimes have different requirements in terms of the venue size and the type and volume of products casinos are able to offer. The proposal is to introduce measures with the intention of addressing the inconsistencies between the different casino licensing regimes, as well as levelling the playing field (to an extent) between land-based and online operators.

The current law states that the gaming machine ratio for a small casino is that for every 2 gaming machines there must also be 1 gaming table available for use. The Government indicated in the White Paper that they are proposing to change this to a ratio of 5:1.

Gaming Machine Allowance in Amusement Arcades and Bingo Halls

Amusement arcades holding an Adult Gaming Centre (AGC) premises licence and bingo premises are licensed to provide Category D, C, B3 and B4 gaming machines.

Licences granted before 13 July 2011 have a slight variation to the standard 80:20 rule, known as legacy rights - otherwise 80% of all gaming machines within AGC and bingo premises must be Category C or D gaming machines.

The stake and prize limits for each machine category are set out below:

Category	Stake	Prize
B3	£2	£500
B4	£2	£400
C	£1	£100
D	10p	£5

The Government have proposed to amend the 80/20 rule and replace it with a 50/50 machine ratio between Category B and Category C and/or D machines. The consultation in 2023 put forward three options:

- Introduce the 50/50 Rule while maintaining current requirements for ‘available for use’.
- Introduce the 50/50 Rule with an additional requirement that any gaming machine device types offered in individual premises (whether cabinets, tablets (fixed or hand-held) or in-fill) comprise a minimum of 50 percent Category C and D machines. Also, Category C and D gaming machine device types made available for use must be of similar size and scale to Category B.
- Remove the 80/20 rule completely, applying no requirements on set gaming machine ratios.

Cashless Payments on Gaming Machines

The Gaming Machine (Circumstances of Use) Regulations 2007 prohibit the use of debit cards for direct payments to gaming machines and prohibit any use of credit cards. This also applies to contactless mobile systems such as Google Pay or Apple Pay on gaming machines.

The Government is proposing to end the current prohibition on the use of debit cards on gaming machines - subject to suitable safeguards being put in place.

There is no intention to lift the prohibition on credit card payments.

Age Limit on Cash-Out Slot-Style Category D Gaming Machines

Category D gaming machines are low-stake fruit machine (cash-out) style machines, coin pushers (sometimes called penny falls) or crane grabs. Category D machines can currently be played by under 18s.

Members of the BACTA trade association took voluntary action to ban under-18s from playing cash-out slot-style machines in 2021. The Government is now looking to make this voluntary approach mandatory.

If the change in law is introduced, it would be an offence for a person to invite, cause, or permit a child or young person to use Cash-Out Category D Gaming Machines (slot-style games). The Government’s Proposal does not require that these machines be moved to an age-restricted area and as such, they can remain where they are positioned. However, the premises will need to be careful to ensure that young people are not permitted to use these machines.

The Government is not currently proposing a ban on children accessing other Category D gaming machines (e.g. crane grabbers, penny pushers, penny fall machines, etc.). The Government is of the view that there is a lack of substantive research or evidence clearly identifying harm to children resulting from the use of these types of machines.

The current rules, governing Category D stakes and prizes, are set out below:

Type	Max Stake	Max Prize	Min Game Cycle	Notes
D	10p	£5	2.5 sec	Money Prize Machines
D	£1	£50	N/A	Crane Grab Machines
D	30p	£8	N/A	Other Non-Money Prize Machines
D	20p	£10	N/A	Coin Pushes or Penny Falls *
D	10p	£5	N/A	Machines Other Than Coin Pushes or Penny Falls **

* £20 of which no more than £10 can be a money prize.

** £8 of which no more than £5 can be a money prize.

Licensing Authority Licensing Fees

The DCMS is proposing to increase the maximum limit for Licensing Authority licensing fees, noting that the maximum amount has not been updated since 2007.

The proposed increase will not provide Local Authorities with an automatic right to increase their licensing fees. Authorities will continue to be required to demonstrate that any increase in fees is necessary to undertake their enforcement and compliance duties.