

**Fixed Odds Betting Terminals,
the Code of Practice,
and problem gambling**

**A second report for the
Association of British Bookmakers
Limited**

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1 SUMMARY

1.1 Aims and methods of the research

1.1.1 This report was commissioned in May 2005 by the Association of British Bookmakers Limited (ABB). It is the follow-up to a substantially similar report completed in pre-publication form in December 2004 and published in April 2005.

1.1.2 The basic aims of the research this year, as it was last year, were those which ABB had agreed in 2004 with the DCMS:

“To measure and explain levels of problem gambling amongst FOBT users, in the context of benchmarks of other gambling activities (particularly machines) both within and outside of the betting shop”.

“Assess the effectiveness of the FOBT Code of Practice, and the individual elements within it, in providing protection against problem gambling.”

1.1.3 We have measured levels of problem gambling among FOBT users in the context of other forms of gambling inside and outside the betting shop. We have been able to compare FOBT usage with usage of fruit machines and jackpot machines. We have been able to assess what FOBT users think about the effectiveness of the provisions of the Code, and to draw conclusions from their responses.

1.1.4 The research method used this year was in all major respects the same as we used last year, and the survey work was again conducted by MORI (now Ipsos MORI). It involved Omnibus surveys to provide a gambling context across Great Britain, followed by a survey of betting shop customers to provide more detailed evidence about FOBT usage and problem gambling.

1.1.5 More specifically:

- the problem gambling screen used was identical to that which we used last year (the DSM-IV test)
- the MORI Omnibus surveys were identical in scale and scope to those conducted last year

1.1.6 The differences were that:

- we did not re-run the qualitative research (focus groups) because there was no need. Focus groups were used in the 2004 research to guide us in designing the quantitative surveys, and it had already been agreed that the 2005 surveys would be as near-identical as possible to those of 2004.
- we used a larger sample for the survey of betting shop customers, to alleviate the risk that we would have sub-samples too small for some analyses.

- the wording of questions reflected the passage of 12 months since the first round of research
- the FOBT Code of Practice had undergone minor changes.

1.1.7 None of these differences undermines comparability between the Round 1 and Round 2 research.

1.1.8 As regards the gambling landscape in Great Britain, no major new forms of gambling have emerged in the year between our Round 1 and Round 2 reports. The Omnibus survey results set out in Section 3 and Appendix 7 suggest that there has been some consumer switching between gambling forms, but not very much.

1.1.9 The Gambling Act 2005 is now on the statute books. However, many provisions of the Act do not become effective until 2006 or 2007, and at the time this report was being drafted, the impact of the new legislation had not been felt.

1.2 The Omnibus surveys

1.2.1 MORI carried out six “waves” of Omnibus survey between June and September 2005, covering a total of approximately 12,000 adults in Great Britain – adults defined in this study as those aged 18 or more. Waves 1 and 2 covered all commercially available forms of gambling in Great Britain plus private wagering between individuals – 18 gambling forms in all. Waves 3 to 6 excluded lotteries, scratch cards, football pools and bingo, leaving 13 forms of gambling which might broadly be termed “betting and gaming”. Using 18 forms of betting in waves 1 and 2 gave us a usefully broad gambling context. In waves 3 to 6 our decision to leave out what can be broadly termed “mass gambling” (especially the National Lottery, which has very high rates of participation) enabled us to focus on a more specific sub-set which we refer to as “betting and gaming”. For analysis purposes it is useful to treat waves 1 and 2 separately from waves 3 to 6, rather than amalgamate all six.

Waves 1 and 2

1.2.2 Of the 4,106 respondents (weighted)¹ in waves 1 and 2, 42 per cent spend their own money on one or more of 18 forms of gambling at least once per month (i.e. count as regular gamblers in this study). As in the previous study, we chose gambling once per month or more often as the benchmark for “regular gambling” because in our view, and that of ABB, and with the agreement of DCMS, it captured all but those people who gamble only very occasionally or only on big annual events such as the Derby or the Grand National. Forty five per cent of adult men and 39 per cent of adult women are regular gamblers by this definition.

¹ For the details of the weighting please see MORI’s Technical Note, Appendix 2.

- 1.2.3 The National Lottery is overwhelmingly the most popular form of gambling among regular gamblers and adults generally. Eighty nine per cent of regular gamblers and 37 per cent of adults spend their own money on the National Lottery at least once per month.
- 1.2.4 Among regular gamblers other more popular forms of gambling then rank a long way behind:
- 12 per cent buy scratch cards
 - 8 per cent buy tickets for other lotteries
 - 8 per cent play bingo
 - 7 per cent bet at betting shops
 - 6 per cent do football pools
 - 5 per cent play fruit machines
- 1.2.5 The average number of forms of gambling used by regular gamblers in waves 1 and 2 is 1.47.
- 1.2.6 Among regular gamblers, 68 per cent spend under £5 per week, 16 per cent spend from £5 to £9.99, and 10 per cent spend from £10 to £20.99 per week. The average spend per week is £5.46, up slightly from £5.27 in 2004. (In this round of research, as in last year's, "spend" was defined as amounts staked. In the gambling context there is no single, universally accepted definition of spend; furthermore, we acknowledge that there is some risk in relying on the memories of respondents who are confronted with questions about what they spend.)
- 1.2.7 Even among regular gamblers, awareness of FOBTs is low. Seventy eight per cent say they had never heard of or seen one. Two per cent said they did not know if they had or had not, leaving 20 per cent who had heard of or come across one. Of regular gamblers who had seen or heard of FOBTs, 81 per cent said they had never used one, 3 per cent said they had tried them but did not use them any more, and a further 17 per cent said they were users.
- 1.2.8 Only 7 per cent of those who are aware of FOBTs say they are regular users, i.e. use them at least once per month. This suggests that regular FOBT users are a very small fraction (1.4 per cent) of regular gamblers and an even smaller fraction (0.6 per cent) of the adult population, although we caution that this analysis is based on very small numbers.

1.2.9 Omnibus waves 1 and 2 indicate a (central) problem gambling rate of 0.4 per cent.² We estimate that the 95 per cent confidence interval is 0.2 to 0.6 per cent. In 2004 the central rate was 0.5 per cent, with a 95 per cent confidence interval of 0.3 to 0.7 per cent. We conclude that the problem gambling rate across the adult population has probably not increased, and may have decreased.

Waves 3 to 6

1.2.10 Of 7,705 respondents (weighted), 7 per cent were regular gamblers (i.e. use at least one of the forms of gambling specified at least once per month). Among regular gamblers:

- 37 per cent bet at betting shops
- 32 per cent play fruit machines
- 16 per cent are involved in private betting or playing games for money with friends or colleagues
- 10 per cent play jackpot machines
- 8 per cent bet on-course
- 7 per cent use FOBTs
- 6 per cent participate in on-line betting (as distinct from on-line poker and on-line casinos).

1.2.11 As regards spend:

- 48 per cent say they spend no more than £4.99 per week
- 18 per cent say they spend between £5 and £9.99 per week
- 20 per cent say they spend between £10 and £20.99.

1.2.12 The average spend in waves 3 to 6 is £12.18 (compared with £20.74 in 2004 and with £5.46 in waves 1 and 2).

1.2.13 Almost half of regular gamblers (47 per cent) said they had never seen or heard of a FOBT and 2 per cent said they did not know. Even among regular betting shop customers, 19 per cent said they were unaware of FOBTs.

² Problem gamblers, and therefore problem gambling rates, are defined solely by respondents who reply positively to three or more questions in the DSM-IV screen.

- 1.2.14 Of the 51 per cent of regular gamblers who said they were aware of and/or had seen a FOBT, only 13 per cent said they were regular FOBT users, i.e. used them at least once per month. Seventy three per cent said they never used them.
- 1.2.15 Regular FOBT users are a small percentage of regular gamblers (7 per cent) and a very small fraction of adults (0.5 per cent).
- 1.2.16 Among those who use FOBTs at least once per month, only 6 per cent played four times per week or more. The biggest group of users was those who played once per week, at 35 per cent.
- 1.2.17 Waves 3 to 6 revealed a rate of problem gambling of 0.23 (0.2) per cent, lower than the figure of 0.37 (0.4) per cent identified in the Round 1 research. However, given the limitations inherent in sampling, we can say no more than that the prevalence of problem gambling has probably not increased and may have decreased.
- 1.2.18 The rate of non-completion of the problem gambling questionnaire in the Omnibus surveys varied a little from last year. In waves 1 and 2 the non-completion rate fell from 26 per cent last year to 23 per cent this year. In waves 3 to 6 the rate rose from 17 per cent last year to 20 per cent this.

1.3 Betting shop interviews

- 1.3.1 MORI conducted 130 interviewing shifts in a representative sample of 65 betting shops between August and October 2005. The interviewing yielded 1,545 interviews, a 63 per cent increase on Round 1.

Betting shop customers

- 1.3.2 Betting shop customers are predominantly male (86 per cent), predominantly aged over 35 (72 per cent, with 37 per cent over 55), and predominantly in lower socio-economic groups, with 67 per cent in C2DE, compared with 22 per cent in C1 and 8 per cent in AB. Sixty two per cent began gambling regularly, with their own money, though not necessarily in betting shops, before they were 21 (26 per cent before they were 18). Seventy three per cent have been visiting betting shops for at least five years and 62 per cent for at least ten years.
- 1.3.3 Because research in betting shops was carried out on the busiest days of the week, so that sufficient customers would be available for interview, the frequency of betting shop visits was weighted to the pattern identified by the Omnibus waves in order to provide a representative distribution of frequency of visits. On this basis 65 per cent of betting shop customers visit once, twice or three times per week, 26 per cent visit between less than once per week but at least once per month, and 9 per cent visit four times per week or more. Sixty nine per cent of betting shop customers spend under 30 minutes in the shop at each visit.

- 1.3.4 In summary, a typical betting shop customer is a mature male, from one of the lower socio-economic groups, who started betting early in life and has been visiting betting shops for over ten years. He is likely to visit a betting shop about twice per week, and to spend about half an hour there on each visit.
- 1.3.5 The gambling preferences of betting shop customers are that 73 per cent bet regularly (at least once per month) on horses, 50 per cent buy National Lottery tickets, 39 per cent bet on-course, 37 per cent bet on football matches, 27 per cent do football pools, and 25 per cent bet on dogs. Other forms of gambling then follow some way behind: 14 per cent of betting shop customers buy other lottery tickets, 14 per cent do numbers betting, and 9 per cent use FOBTs, i.e. have not merely tried them once or twice. FOBTs thus rank ninth overall.
- 1.3.6 The average weekly spend of a betting shop customer, on all forms of gambling, inside and outside the betting shop, is £39.70, up by 7 per cent from £36.95 last year. The distribution of spend is that 33 per cent of customers spend under £10 per week, 51 per cent spend between £10 and £49.99 per week, and 16 per cent spend £50 or more per week.

FOBT users

Patterns of usage

- 1.3.7 FOBT users are a small subset of all betting shop customers – 6 per cent use a FOBT “always/every time” when they visit a betting shop, 3 per cent use them “usually or most times”, and 5 per cent use them “sometimes”, and 6 per cent use them “rarely”. Over three quarters of betting shop customers have either never used a FOBT or no longer use one.
- 1.3.8 Regular FOBT users, defined as those who use a FOBT “always/every time” or “usually or most times”, are overwhelmingly likely to be male (93 per cent), are predominantly younger (58 per cent under 35, including 28 per cent under 25) and are predominantly in lower socio-economic groups (60 per cent C2/D/E).
- 1.3.9 One in six regular FOBT users (17 per cent) said they had begun visiting betting shops because of FOBTs, and one in five (22 per cent) said they now visited betting shops more often because of FOBTs. Fifty five per cent said that FOBTs had made no difference to the frequency with which they visit betting shops.
- 1.3.10 Among the “always/every time” respondents, 58 per cent play one session per betting shop visit, 24 per cent play two sessions, and 7 per cent play three. Among those who use FOBTs “usually” or “most times”, 42 per cent play one session, 33 per cent play two, and 11 per cent play three. Thus, under one in ten regular FOBT users play more than three sessions per visit.

- 1.3.11 Among regular FOBT users, two thirds spend no more than 30 minutes on a session. Among all FOBT users, regardless of frequency of use, 82 per cent spend no more than 30 minutes per FOBT session.
- 1.3.12 The main reasons given by betting shop customers for not using FOBTs were “I don’t like machine games” (24 per cent) and “They’re too complicated” (21 per cent). Only 2 per cent said they thought FOBTs were addictive.

Spend

- 1.3.13 Fifty one per cent of all FOBT users said their overall gambling spend had stayed the same since they had begun using FOBTs. Thirty four per cent said it had increased and 14 per cent said it had decreased. More frequent FOBT usage is not correlated with higher spend on gambling: those who use FOBTs (in the words of the survey) “rarely” or “sometimes” when they visit a betting shop have an average weekly gambling spend almost twice that of FOBT users who play “always/every time”.
- 1.3.14 As regards spend on FOBTs, 53 per cent of all FOBT users said their spending had stayed the same, 29 per cent said it had increased and 17 per cent said it had decreased.
- 1.3.15 Among regular FOBT users, 20 per cent said their expenditure had increased a great deal and 20 per cent said it had increased a little. Just over 60 per cent said that it had stayed the same or had decreased.
- 1.3.16 Asked to think back to their last FOBT session, 24 per cent of all FOBT users said they had first staked under £5, 48 per cent under £10 and 71 per cent under £16. The average first stake in a FOBT session for those who played “usually or most times” was £16.13, and for those who played “always/every time” it was £22.72.
- 1.3.17 Among all FOBT users, 76 per cent had a win on their last session. Of these, 36 per cent kept all the winnings they had accumulated, 39 per cent kept some and re-staked the rest, and 24 per cent re-staked everything they had won.

The FOBT Code of Practice

- 1.3.18 General awareness of the provisions contained in the Code is still generally low, with under half of users aware of even one provision. Awareness of the provision of GamCare material has risen from last year, though only to modest levels.
- 1.3.19 Among regular FOBT users, opposition has intensified to the maximum payout and to the fact that, among casino games, only roulette is allowed. Support has strengthened for the limit on stakes, albeit only a little. For all other elements of which regular FOBT users were in favour last year, the net balance of support has decreased.
- 1.3.20 Among occasional FOBT users the picture is slightly different. There has been a slight swing away from support for limiting the payout to £500, and a stronger swing away from support for the idea that roulette should be the only casino game allowed.

- 1.3.21 As regards GamCare warnings, the extent of support has fallen among both groups, although there is still a substantial net balance of support.
- 1.3.22 It would appear, overall, that the provisions of the Code may have had an effect on occasional users, where the numbers who play less often or for shorter times or for less money outweigh the numbers who do the opposite. Among regular users, the numbers increasing their activity or spend outweighs those reducing it.
- 1.3.23 We cannot distinguish in this research between effects “since the Code came in” and effects “because of the Code”. When assessing effects we must also recognise that some features of the Code, for example the minimum time lapse of 20 seconds between bets and limits on stakes and payouts, are ineluctable. Furthermore, at least 45 per cent of users began using FOBTs after the Code became operational and are thus probably unaware of a pre-Code world – and the figure of 45 per cent could be an under-estimate because some bookmakers began implementing the Code before April 1 2004.
- 1.3.24 In responding to our brief – to assess the effectiveness of the FOBT Code of Practice – we can only say that the evidence of this round of research is that the Code is neither more nor less effective than was apparent in the first round. In the Round 1 research we concluded that the Code was, on balance, marginally beneficial, and we have no reason to conclude differently now.
- 1.3.25 We cannot estimate from this research what would happen if the Code were not there. We think it must be possible that the Code is beneficial in ways not obvious to FOBT users.

Problem gambling among betting shop customers

- 1.3.26 As in the Round 1 research, problem gambling was identified by means of a questionnaire derived directly from the DSM-IV screen. We emphasise that we are here dealing only with problem gambling among people who regularly visit betting shops, not among any wider section of the population.
- 1.3.27 The problem gambling questionnaire produced an overall non-response rate of 20 per cent. This was lower than the 25 per cent rate obtained in 2004.
- 1.3.28 The rate of problem gambling identified among betting shops customers this year was 5.31 per cent, compared with 8.25 per cent last year. The confidence interval around this year’s central rate of 5.31 per cent is 4.19 per cent to 6.43 per cent; the confidence interval round last year’s central rate of 8.25 per cent is 6.50 per cent to 10.01 percent. The highest value this year is not substantially different from last year’s lowest value, but there is a difference. The statistics do therefore suggest that the prevalence of problem gambling among betting shop customers has fallen. We can say with greater certainty that it has not increased.
- 1.3.29 Problem gamblers among betting shop customers have the following demographic characteristics:

- 92 per cent are male
- 14 per cent are aged 18 to 24, 22 per cent are aged 25 to 34, 43 per cent are 35 to 54, and 21 per cent are 55 or over
- 4 per cent are in socio-economic groups AB, 27 per cent in C1, 23 per cent in C2, and 41 per cent in DE
- sixty seven per cent have been visiting betting shops for 10 years or more and 72 per cent for 5 years or more (i.e. well before FOBTs became available).

1.3.30 Thirty per cent of problem gamblers said they had started gambling regularly, using their own money, below the age of 16 (i.e. possibly illegally). A further 17 per cent said they had started at age 16 or 17, also possibly illegally, depending on where the gambling took place and/or what form it took.³ A further 39 per cent started while they were aged 18 to 20. Thus 85 per cent of problem gamblers began regular gambling while still no more than 20.

1.3.31 Almost sixty per cent of problem gamblers visit betting shops twice or more per week (35 per cent visit 2 or 3 times per week, and a further 24 per cent 4 times per week or more).

1.3.32 Eighty per cent of problem gamblers bet on horses, 50 per cent buy National Lottery tickets, 47 per cent bet on dogs, 42 per cent use FOBTs, 38 per cent bet on football matches, 37 per cent bet at racecourses or dog tracks, 32 per cent use fruit machines, and 22 per cent use jackpot machines.

1.3.33 The average number of betting shop activities in which problem gamblers participate is 2.5. Outside the betting shop, the average number is 2.4. There is some overlap in relation to fruit machines, which are accessible both inside and outside betting shops, so it is not possible simply to sum the two averages, but we are confident that the average number of forms of gambling practised by problem gamblers among betting shop customers is at least 4 and may be closer to 5.

1.3.34 Just under half of problem gamblers (45 per cent) say they use FOBTs, whether frequently or infrequently. Thirty three per cent say they have never used one, 6 per cent say they have used FOBTs but no longer do, and 13 per cent say they have used them only once or twice.

1.3.35 The gambling preferences of problem gamblers have changed somewhat as between this year and last. Horseracing is still overwhelmingly the favourite pursuit, though at 80 per cent this year compared with 87 per cent last. Greyhound racing still ranks second, though also down, at 47 per cent this year compared with 63 per cent last, and FOBT

³ Paragraph 1.3.30 refers to all forms of gambling, not just to those available in a betting shop.

usage ranks third at 45 per cent. FOBT usage is one of a group of three activities, along with betting on football, and fruit machines, which have all risen considerably in usage. FOBTs rank only third and form part of what one might think of as a “second rank cluster” of gambling pursuits which sit a long way behind the favourite betting pursuit, namely horseracing.

1.3.36 The econometric analysis we conducted – a calculation of marginal effects derived from a logit model – suggests that no one form of gambling is more associated with problem gambling than any other. The strongest associations are:

- the age at which regular gambling started (the lower the age at which gambling starts, the greater the chance of problem gambling)
- marital status (those who are married or living with a partner are less likely to be problem gamblers)
- frequency of betting shop visits (the more frequent, the greater the likelihood)

1.4 Conclusions

1.4.1 The evidence of this research is that problem gambling rates among adults in Great Britain have not increased and may have fallen. Problem gambling rates among betting shop customers have almost certainly fallen.

1.4.2 We begin by emphasising that the research method employed here defines, at best, association, not cause and effect, between problem gambling and any particular form of gambling.

1.4.3 FOBTs form part of a range of gambling pursuits inside and outside the betting shop that appeal to problem gamblers – and most of these same pursuits, notably the National Lottery, horserace betting, on-course betting, football pools, and betting on football matches appeal to non-problem gamblers too. The survey identified no forms of gambling that appeal only to non-problem gamblers.

1.4.4 FOBTs are not more associated with problem gambling than any other form or forms of gambling. Indeed, our econometric modelling suggests that no form of gambling considered in this research is significantly associated with problem gambling.

1.4.5 The FOBT Code of Practice is a highly specific form of regulation, in that it deals only with FOBTs and with certain features of their supply and use. (By way of contrast, the rule that no one under the age of 18 may enter a betting shop is unspecific in relation to any particular form of betting that takes place there.) We emphasise that we did not expect FOBT users to be familiar with the Code *by name*. We asked them about restrictions on usage which we had expected they would be aware of, if at all, only by virtue of using FOBTs.

- 1.4.6 FOBT users who happen also to be problem gamblers are a very small fraction of the adult population and of betting shop customers. We know from Omnibus waves 1 and 2 that of the 42 per cent of the adult (18+) population who gamble regularly, only 7 per cent visit betting shops. Of that 7 per cent, only about 5 per cent are problem gamblers. To put this another way, if we started with 1,000 adults, 420 would be regular gamblers, 29 would regularly visit betting shops and 1.5 would be problem gamblers. The problem gamblers participate, on average, in at least four forms of gambling.
- 1.4.7 From the survey of betting shop customers we know that a typical problem gambler (among betting shop customers) is overwhelmingly likely to be male, and likely to be in one of the older groups and in one of the lower socio-economic groups. He is highly likely to have started gambling before the age of 20, likely to have frequented betting shops for at least 10 years, and likely to visit a betting shop at least twice per week.
- 1.4.8 From the same survey we know that regular FOBT users are also overwhelmingly likely to be male and predominantly in lower socio-economic groups. But they are predominantly younger, are among the less frequent betting shop visitors, and have been visiting betting shops for fewer years. Except in gender and socio-economic grouping the two profiles are different.
- 1.4.9 The evidence of this research is that, after 16 to 18 months in operation, the provisions of the FOBT Code are not well known to FOBT users, regardless of how frequently they play. There could be at least two reasons for this:
- those betting shop customers who have used FOBTs only since the Code came into effect might be unaware of its provisions because they had never used FOBTs under any other régime. Almost half of FOBT users fall into this category, and the percentage is likely to increase as new users appear.
 - alternatively (or in addition) FOBT users might well play by choice within the regulations imposed by the Code and feel no constraint exerted by it. If this is so for a majority of users, the Code will bite only on the minority, so that its effects of could be considered marginal.
- 1.4.10 Overall, we regard the effects of the Code as probably marginal, but, at the margin, probably beneficial. We think the Code may be better viewed as part of a package of measures and promotions that bookmakers, gambling charities and the Government have taken to deter problem gambling. It is beyond the scope of this research to disentangle the effects of each element of the package, but among betting shop customers it has been effective.

2 THE ROUND 1 AND ROUND 2 REPORTS

2.1 The background to and purpose of this report

2.1.1 This report was commissioned in May 2005 by the Association of British Bookmakers Limited (ABB). It is the follow-up to a substantially similar report completed in pre-publication form in December 2004 and published in April 2005.

2.1.2 Our brief for this report, as of the first, was as follows:

“To measure and explain levels of problem gambling amongst FOBT users, in the context of benchmarks of other gambling activities (particularly machines) both within and outside of the betting shop”.

“Assess the effectiveness of the FOBT Code of Practice, and the individual elements within it, in providing protection against problem gambling.”

2.1.3 Our first report (the “Round 1 report”) can be accessed on the websites of the ABB (www.abb.uk.com), the DCMS (www.culture.gov.uk), Europe Economics (www.europe-economics.com) and our research partner, MORI (www.mori.com).⁴

2.1.4 The first report contained a detailed description of what FOBTs are, how they are used, how FOBTs came to be popular with betting shop customers, and why Government became concerned about their widespread usage. For convenience we provide an abbreviated version of this background material as Appendix 1 to this report.

2.1.5 Although the FOBT Code of Practice had been agreed in November 2003, its provisions did not become mandatory until 1 April 2004. The timing of the Round 1 report was such that the Code of Practice had only just become operational when the research began in June 2004. It was acknowledged at that time that it would be very difficult to assess the impact of the Code in any scientific way: It had arguably not been in operation long enough for its effects to be understood or absorbed by FOBT users, and there was no published research which would have formed a reliable counterfactual against which to assess the Code’s impact. What we did, therefore – with the agreement of ABB and DCMS – was to research FOBT usage and to set it in the context of gambling in Great Britain generally, with particular attention to problem gambling. As part of the study we asked FOBT users about their awareness of the provisions of the Code, and their opinions as to its usefulness. Thus, although we could not carry out an impact study as properly defined, we were able to put together a picture of consumers’ reactions to the Code at that time.

⁴ During 2005, MORI was acquired by Ipsos and now trades as Ipsos MORI. This research was commissioned before the acquisition, so we refer to MORI throughout.

2.1.6 At the time when the Round 1 report was commissioned, the ABB and DCMS had already agreed that a Round 2 report should be undertaken one year after Round 1, so that the impact of the Code after twelve months of operation might be assessed. Although it was acknowledged that other features of the gambling landscape might have changed during those twelve months – such that changes in FOBT usage might not be accounted for entirely by the Code of Practice – it was accepted that any such changes would be identified and adjusted for.

2.2 The research process used in the Round 1 and Round 2 reports

Round 1

2.2.1 The consumer research for the Round 1 report was conducted by MORI, and the results passed to Europe Economics for analysis. The programme of research consisted of three phases – a qualitative phase followed by two quantitative phases.

2.2.2 The qualitative research involved eight focus groups conducted in four locations. The aim of the qualitative research was to establish the views of gamblers concerning different forms of gambling, FOBTs in particular, and problem gambling. Feedback from the focus groups was used to shape the questionnaires used in the two subsequent phases of quantitative research.

2.2.3 The quantitative phase consisted of six “waves” of Omnibus survey, covering a (weighted) total of 11,868 British adults. Omnibus surveys are described more fully in Appendix 2 to this report. The Omnibus surveys established the extent to which adults (here defined as people aged 18 or over) gambled – particularly on what and how often. Adults who said they participated in one or more forms of gambling at least once per month (which, for the purpose of this report, we define as “regular gamblers”) were then asked to self-complete a short questionnaire aimed at identifying whether they counted as problem gamblers. The problem gambling test itself is explained in paragraph 2.2.5 below. In summary, the aim of the Omnibus surveys was to establish gambling prevalence among adults in Great Britain and to help assess the overall level of problem gambling among them. The results provided a context within which to assess the usage of FOBTs.

2.2.4 After the Omnibus surveys MORI then interviewed a total of 945 betting shop customers in order to establish their gambling choices overall, their betting habits in the betting shop, how much they staked, what they usually did with their winnings, the extent to which they used FOBTs, and (to the extent that they could remember) how their FOBT usage had changed in the short time that the Code had been operational. Only regular betting shop customers were included within the survey (“regular” defined as those who visit betting shops at least once per month). All regular betting shop customers in the sample were asked to complete the same problem gambling questionnaire as the regular gamblers who had taken part in the Omnibus surveys.

2.2.5 To measure problem gambling we used an established, authoritative questionnaire developed by experts in the field of testing for gambling addiction. Here we had a choice

of two screens: (i) the South Oaks Gambling Screen – SOGS for short – which required some 20 individual questions to be put to interviewees and (ii) the more recent DSM-IV test, which covers substantially the same subject areas as the SOGS but requires 10 questions rather than 20 for completion. After consideration, we opted to use the DSM-IV test. The ten questions that made up the problem gambling questionnaire appear at Appendix 4.

2.2.6 The questions used to identify problem gamblers (i.e. the DSM-IV test) were self-completed. Self-completion means that the respondent's replies are not known to the interviewer. Such a technique is commonly used by survey organisations where the questions being asked are considered sensitive in nature. It is hoped that, in this way, response rates will be higher than if they were interviewer-administered.

Round 2

2.2.7 The same team, namely Europe Economics and MORI, has conducted this Round 2 study. So far as is possible, and in order to achieve maximum comparability between the two studies, we have used a near-identical research process. The differences are as follows:

- The qualitative phase of research (focus groups) was deemed unnecessary for Round 2. The purpose of focus groups in Round 1 was to steer the drafting of the questionnaire and other survey materials, and for Round 2 we wanted the latter to be unchanged from Round 1.
- Minor differences in the description of FOBTs were included in the brief to interviewers. Machines that look like FOBTs are now available in gambling arcades and bingo halls, and we wanted to be as certain as we could that interview responses covered only FOBTs in betting shops.
- Minor differences were incorporated in the questionnaire used in the survey among betting shop customers, so that, for example, references to the “recent” Code of Practice were suitably amended; and the timescale over which interviewees were asked to review their betting habits was similarly amended.
- In the Round 2 research the number of interviews administered in betting shops was increased by over 60 per cent. A larger sample size has allowed us to undertake more reliable sub-sample analysis, by for instance age or socio-economic category.

2.2.8 We inserted two additional questions into the betting shop customer survey. One concerns the way in which FOBT users put money into the machines. At the time of the Round 1 research, FOBTs would accept only cash input. Following a number of raids on betting shops aimed at emptying FOBTs of their cash contents, some bookmakers enabled FOBT stakes to be paid over the counter, and credited to the machine. It is possible to use a debit card (though not a credit card) for this purpose, and we wanted to find out the extent to which over-the-counter payment had become established.

- 2.2.9 The second change was the introduction of a new question to identify the length of time the respondent had been using a FOBT. With hindsight we wished we had asked this question in Round 1, and made good the omission in Round 2.
- 2.2.10 The Code of Practice itself has undergone some minor changes. In our view these are not sufficient to undermine the comparability of the results between Round 2 and Round 1. The Code appears at Appendix 3. For the avoidance of doubt, and in response to a comment from one of the peer reviewers of this report, we should make clear that we were asked to consider only those features of the Code that bear directly upon FOBT users, not on the whole Code.
- 2.2.11 We are satisfied that these two changes do not make for difficulty in comparing Round 2 results with those of Round 1.

2.3 The findings of the Round 1 report

- 2.3.1 For convenience, the Summary of our Round 1 report is included as Appendix 5. Here we briefly summarise the main findings.
- 2.3.2 Six waves of Omnibus survey were carried out, covering a representative sample of adults in Great Britain aged 18 years and over. The questionnaire covered all forms of gambling commercially available in Great Britain, together with private gambling.
- 2.3.3 Waves 1 and 2 covered 4,023 adults (weighted). In summary:
- 42 per cent gamble regularly (i.e. once a month or more often). 88 per cent of these play the National Lottery (including Thunderball, Hotpicks and Lotto Extra) at least once per month.
 - the average amount of money staked by regular gamblers is £5.27 per week.
 - 8 per cent of regular gamblers visit betting shops once per month or more.
 - of the 8 per cent of regular gamblers who visit betting shops once a month or more, 9 per cent use FOBTs.
 - 0.6 per cent of adults use FOBTs once per month or more.
 - 0.5 per cent of adults are problem gamblers as defined by the DSM-IV test.
- 2.3.4 Waves 3 to 6 covered 7,845 adults (weighted). The questionnaire covered thirteen forms of gambling, i.e. those covered in waves 1 and 2 less lotteries, scratch cards, bingo and football pools. In summary:
- 8 per cent of British adults participate regularly (i.e. once a month or more often) in these thirteen gambling forms

- the average weekly amount staked by regular gamblers in this group is just over £20.74
- 45 per cent regularly visit betting shops
- 13 per cent of those who regularly visit betting shops use FOBTs at least once per month
- 0.4 per cent of adults are problem gamblers as defined by the DSM-IV test

2.3.5 Following the Omnibus survey, a survey of betting shop customers was carried out in betting shops. The results showed that:

- 9 per cent of regular betting shop customers are regular FOBT users
- among forms of gambling available in betting shops, FOBTs rank fifth in customers' preferences
- 8 per cent of regular betting shop customers are problem gamblers as defined by the DSM-IV test
- FOBTs are no more closely associated with problem gambling than are any other forms of gambling
- to the limited extent that FOBT users were aware of the provisions of the Code of Practice, they thought the Code was marginally beneficial.

2.3.6 In our first report we recorded some comparisons with a major study of GB gambling habits published in 2000 by the National Centre for Social Research and entitled *Gambling Behaviour In Britain: Results from the British Gambling Prevalence Survey*, often referred to for short as the Prevalence Study. There are some substantial differences between the methods adopted in the Prevalence study and those that we used. Specifically, they are:

- methods used for gathering samples;
- the sample sizes. The Gambling Prevalence Study was carried out among a sample of 7,680, whereas the MORI Omnibus surveys and betting shop customer survey were carried out among samples of 11,868 and 945 respectively (a total of 12,813 interviews overall);
- the definition of an adult. The Gambling Prevalence Study included those aged 16 years and over, whereas we included only those aged 18 and over, because the minimum age for entering a betting shop, and therefore for playing a FOBT, is 18;

- the range of betting forms considered. FOBTs had not been introduced at the time of the last Gambling Prevalence Study, and on-line gambling was in its infancy;
- the Gambling Prevalence Study asked respondents to complete both SOGS and DSM-IV questionnaires to measure the prevalence of problem gambling, whereas we used only the DSM-IV screen.

2.3.7 Despite these differences, the Gambling Prevalence Study and our first report recorded broadly similar levels of problem gambling. Given the substantially increased range of gambling opportunities that have emerged in the five years between the two reports (and therefore the scope for problem gambling to become more widespread); this seemed to us a noteworthy finding.

2.4 Gambling since the Round 1 report

2.4.1 No major new forms of gambling have emerged in the year between our Round 1 and Round 2 reports. The Omnibus survey results set out in Section 3 and Appendix 7 suggest that there has been some consumer switching between gambling forms, but not very much.

2.4.2 On-line poker has acquired a higher public profile. By observation, it is now more heavily advertised than before, and the prospective flotation of two or three companies, together with the possibility of their immediate entry into the FTSE 100, has made Press headlines. Nevertheless, the results from the surveys indicate only a very small increase in the popularity of on-line poker among those interviewed.

2.4.3 A form of FOBT has been licensed for use in High Street gambling arcades and in bingo halls. The stakes and payouts on these variant FOBTs are limited to those of AWP machines, more commonly known as fruit machines, namely 30p and £25 respectively.

2.4.4 Arguably the single most important change in the gambling landscape over the last year has been the passing of the Gambling Act 2005, and with it the creation of a single Gambling Commission to establish and enforce regulation in the gambling sector. However, many provisions of the Act do not become effective until 2006 or 2007, and at the time this report was being drafted, the impact of the new legislation had not been felt.

2.5 The structure of this report

2.5.1 The report follows the sequence in which the surveys and then the analyses were carried out.

2.5.2 Section 3 describes the MORI Omnibus surveys, the headline results that they yielded, and the differences in findings between the Round 1 and Round 2 surveys.

2.5.3 Section 4 describes the interviews that MORI conducted in betting shops and, again, the headline results that they yielded and the differences between Round 1 and Round 2.

- 2.5.4 Section 5 draws together the material of previous sections into a single set of conclusions.
- 2.5.5 Section 5 is followed by a list of Appendices and the Appendices themselves. The Appendices – particularly the tabulations of the MORI surveys – are an integral and important part of this study.

3 THE MORI OMNIBUS SURVEYS

3.1 The purposes and characteristics of the Omnibus surveys

3.1.1 Appendix 2 contains a description of Omnibus surveys generally together with MORI's technical description of how the Omnibus surveys were conducted in this research.

3.1.2 The primary purposes of conducting the Omnibus surveys were (a) to establish patterns of gambling generally and (b) to measure the prevalence of problem gambling, among the adult population of Great Britain. As in Round 1, "adults" are here defined as those aged 18 years and over.

3.1.3 The Round 2 Omnibus research covered a total of 11,993 British adults questioned across six "waves" of approximately 2,000 each. The Omnibus survey data were weighted according to the criteria described in Appendix 2.

3.1.4 Interviewing dates were as follows:

- Wave 1: 30th June – 4th July 2005
- Wave 2: 14th – 18th July 2005
- Wave 3: 28th July – 1st August 2005
- Wave 4: 11th – 15th August 2005
- Wave 5: 25th – 30th August 2005
- Wave 6: 8th – 13th September 2005

3.1.5 This represents an extended timetable over that of 2004, when the interviewing ran from 24 June to 3 August. The reason for the greater time-span this year was that MORI's Omnibus capacity during the summer was heavily taken up before ABB's requirements could be booked. For the purposes of this study, we are satisfied that nothing hangs on the differences of dates.

3.2 The scope and characteristics of the Omnibus surveys

The split between waves 1 and 2 and waves 3 to 6

3.2.1 As in Round 1, we did not want the quantitative surveys to focus excessively on the incidence of participation in the National Lottery, which was known to be high. It was therefore agreed that MORI should again split the six waves of Omnibus survey into two groups:

- The first two waves covered all forms of legitimate gambling available in Great Britain. The forms of gambling included are listed in paragraph 3.2.4 below.

- The remaining four waves excluded the National Lottery and other lotteries, scratch cards, bingo and football pools.

3.2.2 Except for the range of gambling activities considered, the questions posed were identical across all six waves, and identical as between Round 1 and Round 2. In this way, we expected to get a clear and reliable picture of participation rates in gambling overall and in betting and gaming, and a comparison between 2004 and 2005.

Regular gambling and forms of gambling

3.2.3 Only people who gamble at least once per month on any of the forms of gambling specified at paragraph 3.2.4 were asked the full set of questions.

3.2.4 The forms of gambling considered in waves 1 and 2 were the eighteen following:

- 1 Tickets for the Lotto/National Lottery (including Thunderball, Hotpicks and Lotto Extra)
- 2 Tickets for any other lottery
- 3 Scratch cards/instant
- 4 Football pools
- 5 Bingo

- 6 Fruit machines (maximum payout of £25)
- 7 Jackpot machines (maximum payout of £500 or £1000, depending on location)
- 8 Betting at racecourses or at dog tracks
- 9 Private betting or playing games for money with friends or colleagues
- 10 Betting at a betting shop
- 11 Betting terminals (FOBTs)
- 12 Spread betting
- 13 Telephone betting
- 14 On-line poker
- 15 Other on-line betting
- 16 On-line casinos
- 17 Interactive gambling on television
- 18 Table games in a casino

3.2.5 Waves 3 to 6 excluded the first five forms of gambling listed above.

3.3 The Omnibus questionnaire

3.3.1 The full questionnaire appears at Appendix 6. Here we summarise:

- On average, how often, if at all do you spend your own money on any of the following activities? (The interviewer hands the interviewee a show card listing those forms of gambling listed in paragraph 3.2.4. above as appropriate for waves 1 and 2 and waves 3 – 6.) FOBTs were covered separately within the main body of the questionnaire. Only respondents who said they spend their own money on at least one of the specified forms of gambling at least once per month (“regular gamblers”) were asked the main body of questions.

- What do you consider to be the main reason why you gamble?
- For what other reasons do you gamble?
- Before today, have you ever heard of, or come across, betting terminals in betting shops? (The interviewer then uses a show card to clarify what a FOBT is.)
- On average, how often, if at all, do you use betting machines?
- How much do you spend in an average week or month on all types of gambling? (The interviewer then clarifies 'spend'.)
- Then proceed to the self-completion DSM-IV questions listed in Appendix 4.

3.4 Results of Omnibus waves 1 and 2

- 3.4.1 These results are presented in a format similar to that of Round 1. Appendix 8 provides a demographic breakdown of the respondents.
- 3.4.2 Of the 4,106 (weighted) respondents, 42 per cent spend their own money on one or more of the 18 forms of gambling identified at least once per month (i.e. count as regular gamblers in this study). Forty five per cent of adult men and 39 per cent of adult women are regular gamblers. Men account for 52 per cent of regular gamblers and women for 48 per cent.
- 3.4.3 Some 36 per cent of 18 to 34 year olds are regular gamblers, compared with 45 per cent of those aged 35 to 54, and 44 per cent of those aged 55 years and over.
- 3.4.4 The incidence of regular gambling is lower in socio-economic group AB (at 33 per cent) than in C1, C2, or DE (where it is 40, 49 and 47 per cent respectively).
- 3.4.5 DCMS officials said last year that they would like to see a breakdown of gambling by ethnicity. More detail on this point is contained in Appendix 8. Here we merely note that 92 per cent of all respondents were white and 8 per cent non-white; and that 96 per cent of regular gamblers were white and 4 per cent non-white.

Gambling preferences

- 3.4.6 The National Lottery is overwhelmingly the most popular form of gambling among regular gamblers and adults generally. Eighty nine per cent of regular gamblers, and 37 per cent of adults, spend their own money on the National Lottery at least once per month.
- 3.4.7 Among regular gamblers other forms of gambling then rank a long way behind:
- 12 per cent buy scratch cards (at least once per month)

- 8 per cent buy tickets for other lotteries
- 8 per cent play bingo
- 7 per cent bet at betting shops
- 6 per cent do football pools
- 5 per cent play fruit machines (maximum payout of £25)
- 3 per cent bet on-course
- 2 per cent are involved in private betting or playing games for money with friends or colleagues
- 2 per cent play jackpot machines (maximum payout of £500)
- 1 per cent use FOBTs
- 1 per cent participate in spread betting
- 1 per cent bet by telephone
- 1 per cent play on-line poker
- 1 per cent participate in on other on-line betting
- 1 per cent play table games at a casino
- fewer than one half of one percent use their one money on the two remaining forms of gambling.

3.4.8 The average number of forms of gambling used by regular gamblers in waves 1 and 2 is 1.47.

Gambling motivation

3.4.9 Given high participation rates in the National Lottery and the multi-million pound jackpot prizes it offers, it is not surprising that the main reason cited for gambling is to win money. 53 per cent of all regular National Lottery players and 50 per cent of all regular gamblers say they play “for the chance of a big win”. Twenty per cent of regular lottery players and the same percentage of regular gamblers say the main reason why they gamble is that they “like the feeling of winning money”.

Gambling expenditure

3.4.10 Among regular gamblers:

- 68 per cent spend under £5 per week
- 16 per cent spend from £5 to £9.99 per week, and
- 10 per cent spend from £10 to £20.99 per week.

3.4.11 Thus, 94 per cent spend no more than £20.99 per week. Two per cent said they did not know, leaving 4 percent who spend £21 per week or more. The average spend per week is £5.46 – a figure no doubt heavily influenced by the small stakes that the National Lottery offers.

Fixed Odds Betting Terminals (FOBTs) – awareness and usage

3.4.12 Fixed Odds Betting Terminals are referred to in the trade and by customers by different names. Bookmakers generally refer to them as FOBTs (the term we normally use in this report). However, customers know them as betting machines or roulette machines, and the MORI interviewers used the term “betting machine”. As in the Round 1 research, the interviewers took great care to ensure that respondents understood what was meant by a betting machine. The show card handed to respondents included photographs of several models of betting machines, explained what types of betting could be carried out on them, and distinguished between betting machines that are accessible only in betting shops and “look-alikes” that may now be found in arcades and casinos.

3.4.13 Even among regular gamblers, awareness of FOBTs is low. Seventy eight per cent say they had never heard of or seen one. 2 per cent said they did not know if they had or had not, leaving 20 per cent who had heard of or come across one.

3.4.14 Awareness of FOBTs is higher among younger people who are regular gamblers – some 35 per cent of 18 to 34 year olds had heard of or seen them, compared with 17 per cent for 35 to 54 year olds, and 13 per cent for those aged 55 and over.

3.4.15 Of regular gamblers who had seen or heard of FOBTs, 81 per cent said they had never used one, 3 per cent said they had tried them but did not use them any more, and a further 17 per cent said they were users .

3.4.16 Only 7 per cent of those who are aware of FOBTs are regular users, i.e. use them at least once per month. This suggests that regular users are a very small fraction (1.4 per cent) of regular gamblers and a tiny fraction (0.6 per cent) of the adult population. Care must be taken when interpreting these results, however, because they are based on a very small sub-sample.

Problem gambling

- 3.4.17 Waves 1 and 2 identified 17 problem gamblers (weighted).⁵ The figure of 17 problem gamblers in a sample population of 4,106 indicates a problem gambling rate of 0.41 (0.4) per cent. The figure of 0.4 per cent is, statistically, a central rate. We estimate that the 95 per cent confidence interval is 0.2 to 0.6 per cent. Waves 1 and 2 of the Omnibus surveys in 2004 identified 20 problem gamblers in a weighted sample of 4,023, equivalent to a central rate of 0.5 per cent, with a 95 per cent confidence interval of 0.3 to 0.7 per cent. Although the central rate has fallen between 2004 and 2005, the difference is, from a statistical point of view, not sufficient for us to be confident that the prevalence of problem gambling overall has fallen – but we suggest it may not have increased.
- 3.4.18 The percentage of problem gamblers in this year's survey is very small, so one must be cautious about analysing it further. With this proviso we can say that those identified participated in an average of 3 forms of gambling. We can also say that 64 per cent regularly bought National Lottery tickets, 34 per cent bought scratch cards and 35 per cent visited betting shops. We cannot, however, say that these proportions would necessarily apply across a larger sample.

3.5 Results of Omnibus waves 3 to 6

- 3.5.1 In waves 3 to 6, MORI asked respondents for answers in relation only to the thirteen forms of gambling listed below the dotted line in paragraph 3.2.4. The questions themselves were otherwise identical to those used in waves 1 and 2.
- 3.5.2 Appendix 8 provides a fuller breakdown of respondents. Here we summarise only the main features.
- 3.5.3 Of the 7,705 respondents (weighted), 7 per cent spend their own money on one or more of the 13 forms identified at least once per month – a far lower proportion than the 42 per cent found across 18 forms of gambling in waves 1 and 2. It is mainly the absence of the National Lottery from waves 3 to 6 which makes the difference.
- 3.5.4 It is also what makes for such a large difference in the split of regular gamblers between men and women. Waves 3 to 6 reveal that 11 per cent of men and 4 per cent of women are regular gamblers, compared with 45 per cent and 39 per cent respectively in waves 1 and 2.
- 3.5.5 In waves 3 to 6, 73 per cent of regular gamblers in betting and gaming are men, and 27 per cent women. In waves 1 and 2 the proportions are 52 per cent and 48 per cent.

⁵ Again, we emphasise that the term problem gamblers refers to known problem gamblers, i.e. those who gave positive responses to three or more questions in the DSM-IV screen.

- 3.5.6 Waves 3 to 6 show regular gambling as receding with age. Eleven per cent of people aged 18 to 34 are regular gamblers, compared with 7 per cent of those aged 35 to 54 and 6 per cent of those aged 55 or over.
- 3.5.7 The incidence of regular gambling across different socio-economic groups throws up some distinct differences, with 5 per cent of ABs revealed as regular gamblers, 7 per cent of C1s, 10 per cent of C2s, and 8 per cent of DEs.

Gambling preferences

- 3.5.8 Among the 7 per cent of regular gamblers identified in waves 3 to 6, betting in betting shops and playing fruit machines emerged as by far the most popular forms of gambling:

- 37 per cent bet at betting shops at least once per month
- 32 per cent play fruit machines.

- 3.5.9 There are then five forms of gambling which rank much lower:

- 16 per cent are involved in private betting or playing games for money with friends or colleagues
- 10 per cent play jackpot machines
- 8 per cent bet on-course
- 7 per cent use FOBTs
- 6 per cent participate in on-line betting

- 3.5.10 Finally there are two more forms of gambling which rank lower again:

- 4 per cent participate in on-line poker; and
- 3 per cent play table games at a casino

- 3.5.11 Among the thirteen forms of betting and gaming considered in waves 3 to 6, the average number that regular gamblers participated in was 1.29. But it should be remembered that interviewees in waves 3 to 6 are also likely to be participants in the additional forms of gambling studied in waves 1 and 2 (i.e. lotteries, scratch cards, bingo and football pools).

Gambling motivation

- 3.5.12 Gambling motivations are very different once lotteries, scratch cards, bingo and football pools are removed from consideration, in that the element of enjoyment and amusement comes much more to the fore than in waves 1 and 2.

3.5.13 The life-changing potential which may motivate many National Lottery players gives way in betting and gaming to “just for fun or amusement”, which was reported by 37 per cent of regular gamblers as their main reason for gambling. “The chance of a big win” was in second place, mentioned by 20 per cent, followed by “I like the feeling of winning money”, mentioned by 16 per cent. Interestingly, in waves 3 to 6, more women respondents than men attach importance to the chance of a big win – 30 per cent of women compared with 16 per cent of men.

Gambling expenditure

3.5.14 In waves 3 to 6, where we excluded those people who gamble regularly only on lotteries, scratch cards, bingo or football pools, the results reveal that just under one half spend under £5 per week. Specifically:

- 48 per cent say they spend no more than £4.99 per week
- 18 per cent say they spend between £5 and £9.99 per week
- 20 per cent say they spend between £10 and £20.99.

3.5.15 Thus, 87 per cent of regular gamblers in waves 3 to 6 spend no more than £20.99 per week, compared with 94 per cent in waves 1 and 2. The average spend in waves 3 to 6 is £12.18 (compared with £5.46 in waves 1 and 2).

FOBT awareness and usage

3.5.16 Among regular gamblers, almost half (47 per cent) said they had never seen or heard of FOBTs and 2 per cent said they did not know. Even among regular betting shop customers, those unaware of FOBTs runs at 19 per cent.

3.5.17 Of the 51 per cent of regular gamblers who said they were aware of and/or had seen a FOBT only 13 per cent said they were regular FOBT users, i.e. used them at least once per month. Seventy three per cent said they never used them.

3.5.18 Among those who use FOBTs at least once per month, 5 per cent played four times per week or more. The biggest group was those who played once per week, at 34 per cent.

3.5.19 FOBT users tend to be younger than regular gamblers generally. 19 per cent of 18-34 year olds use FOBTs at least once per month, compared with 7 per cent among 35-54 year olds and 6 percent among those aged 55 or over.

3.5.20 Like waves 1 and 2, waves 3 to 6 suggest that regular FOBT users are a small fraction of regular gamblers (7 per cent) and a tiny fraction of adults (0.5 per cent).

Problem gambling

3.5.21 Waves 3 to 6 identified a rate of problem gambling of 0.23 (0.2) per cent, which is lower than the figure of 0.37 (0.4) per cent identified in the Round 1 research. However, we

must caution that both these figures are central rates, and that we cannot say with confidence that the problem gambling rate is lower this year than last. The most we can say from waves 3 to 6 is that the prevalence of problem gambling has probably not increased.

3.5.22 As with the problem gamblers identified in waves 1 and 2, those identified here in waves 3 to 6 are too few in number to permit meaningful subdivision. However, we can say that 87 per cent were regular betting shop customers but that problem gamblers participated, on average, in several forms of gambling among those considered in waves 3 to 6. The average was 2.8.

3.6 Principal differences between Round 2 and Round 1 results

3.6.1 The differences are small, both in number and extent.

3.6.2 **Gambling prevalence** (“regular gambling”) among GB adults changed hardly at all between Round 1 and Round 2. In waves 1 and 2 the rate was 42 percent in both years. In waves 3 to 6 the rate reduced slightly from 8 per cent in 2004 to 7 per cent in 2005.

3.6.3 **Gambling preferences** in waves 1 and 2 likewise changed by only a little. In 2005, 89 per cent of regular gamblers played the National Lottery and 12 per cent bought scratch cards, compared with 88 per cent and 11 per cent respectively in 2004. Among other forms of gambling there were small gains and losses. In 2004 8 per cent of regular gamblers visited betting shops, compared with 7 per cent in 2005. There were no shifts of 3 percentage points or more between 2004 and 2005.

3.6.4 **Gambling spend** changed little. The details are as in Table 1 below:

Table 1: gambling spend, 2004 and 2005

Total gambling spend (amounts staked)	Percentage of regular gamblers 2004	Percentage of regular gamblers 2005
Waves 1 and 2		
Under £5 per week	67	68
£5 to £9.99 per week	16	16
£10 to £20.99 per week	11	10
£21 or more	4	4
Base (weighted)	1690	1721
Waves 3 to 6		
Under £5 per week	41	49
£5 to £9.99 per week	16	18
£10 to £20.99 per week	24	20
£21 to £49.99 per week	8	6
£50 or more	8	7
Base (weighted)	589	573

- 3.6.5 Average weekly expenditure by regular gamblers in waves 1 and 2 has increased slightly between Round 1 and Round 2. For this year the mean was £5.46; for 2004 it was £5.27. The mean in waves 3 to 6 this year was £12.18; for 2004 it was £20.74. It is possible that this year's widely publicised slowdown in High Street and other leisure spending has been felt in gambling too.
- 3.6.6 **Awareness of FOBTs** remains low, even among regular gamblers.
- 3.6.7 Last year, in waves 1 and 2, 78 per cent said they had never heard of or seen a FOBT, 3 per cent said they did not know if they had, leaving 19 per cent who had heard of or seen one. This year, the figures from waves 1 and 2 were almost the same – 78 per cent said they had never heard of or seen a FOBT, 2 per cent did not know, leaving 20 per cent who had heard of or seen one.
- 3.6.8 In waves 3 to 6 this year, we found exactly the same percentages as last year: 47 per cent had never heard of or seen a FOBT, 51 per cent had, and there were 2 per cent who said they did not know.
- 3.6.9 The rate of **problem gambling** across the GB adult population appears broadly comparable with that identified in 2004. The calculated central rate has fallen in waves 1 and 2, and in waves 3 to 6, but not by statistically significant amounts.
- 3.6.10 The rate of non-completion of the problem gambling questionnaire varied a little from last year. In waves 1 and 2 the non-completion rate fell from 26 per cent last year to 23 per cent this year. In waves 3 to 6 the rate rose from 17 per cent last year to 20 per cent this.

4 THE MORI BETTING SHOP INTERVIEWS

4.1 Rationale for and scope of the interviews

- 4.1.1 As with the Round 1 research, the underlying purpose of the betting shop interviews was to secure a sufficiently large number of FOBT users to permit a more meaningful analysis of their attitudes and practices and to explore possible connections between FOBT usage and problem gambling. We wanted to ensure a good representation of both betting shops and betting shop customers.
- 4.1.2 In each betting shop selected for the sample two interview shifts were carried out – one on a Thursday or Friday, the other on a Saturday. The reason for this, as in Round 1, was that these three days are known by bookmakers to be their busiest days. MORI could thus be reasonably sure of having a sufficient number of customers available for interview. However, this approach would result in a frequency of visits that is not representative of the generality of betting shop customers, so MORI then weighted the results in line with the frequency of betting shop visits revealed by the Omnibus surveys.
- 4.1.3 The sampling method gave betting shop customers a probability of selection proportional to the time they spend in betting shops on Thursday/Friday or Saturday. But the desired reporting metric is the proportion of gamblers rather than the proportion of man-hours spent in betting shops. Therefore it was necessary to re-weight the data to give each gambler rather than each man-hour an equal weight. For this purpose we considered that the evidence of gambling habits derived from the Omnibus survey would be more reliable than any internal evidence that could have been drawn from questions included in the betting shop survey.
- 4.1.4 We considered additional weights (for example weighting by age) but the differences did not in our view justify the additional complexity, and the mere fact of weighting differently from last year would have compromised comparability with last year's results.
- 4.1.5 Last year, MORI conducted 86 interviewing shifts in 43 betting shops, and obtained 945 interviews. Some analyses of the 945 respondents produced sub-samples which were rather small. This year, therefore, and following discussion with DCMS, a larger sample was decided upon, and ABB agreed to fund an interview programme some 50 per cent bigger.⁶ MORI conducted 130 interviewing shifts in 65 betting shops.
- 4.1.6 ABB assisted in generating a list of betting shops representative of the estate as a whole. 17 shops (26 per cent) were Ladbrokes, 15 (23 per cent) were William Hill, 10 (15 per cent) per cent were Coral, and the remaining 36 per cent were distributed across Bet365,

⁶ Budget was not, however, the sole constraint. The betting shop interviews are far more complex than the Omnibus surveys, and take longer to set up and run. Time was thus also a constraint, and an increase of about 50 per cent over 2004 was felt to be the most that could be achieved without jeopardising the overall timetable agreed between ABB and DCMS. In fact MORI achieved a 63 per cent increase.

Chisholm, Corbett, Done Brothers, Jennings, Mark Jarvis, and the Tote, together with 4 independently owned betting shops.⁷

- 4.1.7 The regional distribution of betting shops in which interviews took place was slightly different from last year's. This year there were greater proportions of customers in the North and in Scotland, and fewer in the Midlands/East Anglia and Wales. In our view no significance attaches to the differences: last year and this year, the sample of betting shops used was representative of bookmakers' estates, not a random sample of all betting shops in Great Britain. One of the peer reviewers asked us to confirm whether "the number in the sample from each chain and independents was a proportionate stratified sample chosen from the over 8,000 across the UK". Save only that the sample is taken from GB, not from the whole of the UK, we are glad to confirm that it is.
- 4.1.8 As in 2004, interviewers were instructed to work their way systematically around the whole of the betting shop in a clockwise or anticlockwise direction from a given point. As they worked their way around, they were instructed to approach every customer or, if the shop was busy, every "nth" customer in an attempt to secure a successful interview. In many cases, the interviewers aimed to undertake a census of those in the betting shop (when the shop was not sufficiently busy for them to select every "nth"). Also, to improve the response rate, respondents unable to take part when initially approached were given the option of being interviewed later when it might be more convenient. The most important consideration was to ensure that each customer had an equal opportunity of being included in the sample, i.e. the interviewers were instructed not to stop only those who looked interested in being interviewed.
- 4.1.9 During the 130 interviewing shifts MORI conducted a total of 1,545 interviews, an increase of 63 per cent on 2004.
- 4.1.10 The regional distribution of interviews achieved was 40 per cent South (which includes London and the South-East), 19 per cent Midlands and East Anglia, 26 per cent North, 11 per cent Scotland, and 4 per cent Wales.
- 4.1.11 MORI's description of the survey and a technical note are provided at Appendix 9.

4.2 The questionnaire

- 4.2.1 The questionnaire used was necessarily different from – and substantially longer than – that used in the Omnibus surveys, although, consistently with last year, we adopted as much commonality as possible in order to facilitate comparisons.
- 4.2.2 The questionnaire is reproduced in full at Appendix 10. The key elements, using simplified wording, are summarised as follows:

⁷ Since 2004, William Hill has acquired Stanley, and Ladbrokes has acquired Jack Brown.

Betting and gambling habits generally

- On average, how often, if at all, do you visit a betting shop?
- How long have you been betting in betting shops?
- Which of the following, if any, do you bet on, with your own money, at least once a month? (The interviewer then hands out a showcard covering fifteen types of gambling activity.)⁸
- Which of the following, if any, do you bet on, with your own money, at least once a week? (Same showcard.)
- At what age did you first start gambling regularly, using your own money?
- What do you consider to be the main reason why you gamble? (Showcard listing nine possibilities) For what other reasons do you gamble? (Same showcard)
- How much do you spend in an average week or month on all types of gambling?

Betting shop habits

- On average, how long do you normally spend in a betting shop on any one visit?
- Which, if any, of the following do you regularly bet on in a betting shop? By regularly, we mean at least once a month (showcard listing seven possibilities)
- On a typical visit to a betting shop, how many slips do you place over the counter?
- And what is your average stake per slip?

Awareness and use of FOBTs

- Before today, were you aware of, have you heard of, or have you come across, betting machines in betting shops? (showcard to depict and describe a betting machine)
- When did you first start using betting machines in betting shops? (a new question added since 2004)
- How often do you use betting machines when you visit a betting shop?

⁸ The list is fifteen (plus FOBTs) rather than seventeen plus FOBTs because, in order to keep the interviews within acceptable bounds of time, we collapsed on-line poker, casinos and betting into one.

- Which of these games or activities do you play on Betting Machines nowadays? (showcard listing four possibilities.)
- What would you say is the main reason that you use Betting Machines? And for what other reasons do you use a Betting Machine? (showcard)
- On the occasions when you use a betting machine in a betting shop, how many sessions will you use a Betting Machine?
- On average, how long do you spend on a Betting Machine at each session?

Spend on FOBTs

- Thinking back to the last session you had on a betting machine in a betting shop, from the options on this card, how did you pay to use the betting machine?
- Still thinking about the last session you had on a betting machine in a betting shop, how much money did you first put into the betting machine?
- And during the same session how much money did you put into the betting machine for further bets? Please do not include any winnings that you stored up in the betting machine.
- If you had a win during this last session, which of the following comes closest to what you did? (Showcard with five possibilities.)
- Generally speaking, do you think your spending on Betting Machines has increased, decreased or stayed about the same since you started using them?
- Generally speaking, do you think your overall spending on gambling, that is on all sorts of gambling, has increased, decreased or stayed about the same since you started using Betting Machines?
- How has your visiting pattern to betting shops changed, if at all, because of the introduction of Betting Machines?

Code of Practice

- A Code of Practice was introduced in April last year (2004) which relates to betting machines in betting offices. Looking at the main aspects of the Code of Practice for Betting Machines, which, if any, were you aware of before today? (Probe fully) Which others?
- For each of the different aspects of the Code of Practice I read out, can you tell me the extent to which you are in favour of or opposed to this element? (six elements of the code were read out)

- You said you started to use betting machines before the Code of Practice was introduced in April 2004. For each of the following I read out, how has your use of Betting Machines changed, if at all, since the introduction of the Code? (showcard)
- Which of the main aspects of the new Code of Practice, if any, has had the biggest effect on your use of Betting Machines? (showcard)

Other

- [Where relevant] Why don't you use betting machines? (showcard)
- To what extent are you likely or unlikely to use/continue to use (as appropriate) Betting Machines in the future? (showcard)

Problem gambling self-completion questionnaire

- 10 questions as set out in Appendix 4

Demographic questions

4.3 Findings from the betting shop interviews

4.3.1 Appendix 11 provides the full MORI tabulations, and Appendix 12 provides a further analysis.

Betting shop customers generally

4.3.2 Betting shop customers are:

- predominantly male (86 per cent)
- predominantly aged 35 and over (72 per cent, with 37 per cent over 55)
- predominantly in lower socio-economic groups, with 67 per cent in C2DE, 22 per cent in C1 and 8 per cent in AB

4.3.3 Furthermore:

- 54 per cent are married or living with a partner, 30 per cent are single, 10 per cent are divorced or separated and 4 per cent are widowed
- 67 per cent are working full or part time, 25 per cent are not working and 5 per cent are unemployed
- 62 per cent began gambling regularly, with their own money, before they were 21 (26 per cent before they were 18)

- 73 per cent have been visiting betting shops for at least five years and 62 per cent for at least ten years.

4.3.4 In summary, a typical betting shop customer is more likely to be a mature employed man from one of the lower socio-economic groups, who has been visiting betting shops for over ten years and started betting early in life

Frequency and length of visit

4.3.5 MORI weighted the frequency of visit among the betting shop customer sample back to the frequencies of betting shop visits gained from the Omnibus surveys (specifically Table 1 in the Omnibus survey tabulations, waves 1 and 2 and waves 3-6, Appendix 7). On this basis:

- 6 per cent of betting shop customers visit 6 to 7 times per week or more
- 3 per cent visit 4 or 5 times per week
- 24 per cent visit 2 or 3 times per week
- 41 per cent visit once per week
- 26 per cent visit between once per week and once per month

4.3.6 These frequencies are little changed from last year.

4.3.7 Sixty nine per cent of betting shop customers spend under 30 minutes in the shop at each visit (up from 63 per cent last year). Twelve per cent stay between 31 minutes and one hour (down from 20 per cent last year), and 18 per cent stay more than an hour (slightly up from 17 per cent last year).

Betting preferences

4.3.8 Betting shop customers participate regularly (that is, at least once per month) in a wide variety of gambling opportunities outside the betting shop. Their gambling preferences are as follows:

- 50 per cent buy National Lottery tickets (down from 53 per cent last year)
- 39 per cent bet on-course (down from 49 per cent last year)
- 27 per cent do football pools (up from 23 per cent last year)
- 14 per cent buy other lottery tickets (up from 12 per cent last year).

4.3.9 Within the betting shop:

- 73 per cent bet at least once per month on horses (down from 79 per cent last year)
- 37 per cent bet on football matches (30 per cent last year)
- 25 per cent bet on dogs (down from 34 per cent)
- 14 per cent do numbers betting (also 14 per cent last year)
- 9 per cent use FOBTs, i.e. have not merely tried them once or twice (up from 8 per cent).

4.3.10 FOBTs still rank fifth in popularity within the betting shop, substantially behind longer-established betting shop products.

Spend

4.3.11 The average weekly spend of a betting shop customer, on all forms of gambling inside and outside the betting shop, is £39.70, up by 7 per cent from £36.95 last year. The distribution of spend is:

- 33 per cent of customers spend under £10 per week
- 51 per cent spend between £10 and £49.99 per week
- 16 per cent spend £50 or more per week

4.3.12 These percentages are almost unchanged from last year.

4.3.13 First quartile weekly expenditure (to the nearest pound) is £6, second quartile £15, and third quartile £31. These figures are closely comparable with those of 2004.

4.3.14 We cross-checked the stated average spend against the average number of visits to a betting shop multiplied by the average number of over-the-counter slips and the average stake per slip. The average number of visits per week by the 1,545 interviewees is 1.67, the average number of slips per visit is 3.69, and the average stake per slip £6.59. The product of these is £40.60. This is quite close to (i.e. effectively corroborates) the figure of £39.70 stated in paragraph 4.3.11.

Motivation for betting

4.3.15 Over one third (35 per cent) of betting shop customers gave “fun or amusement” as their main motivation for gambling overall. A further 5 per cent said it was “something to do when they were bored”. Among the remainder, 25 per cent said they “liked the feeling of winning money/to win money”, and 15 per cent said they gamble for “a big win”. These proportions are little changed from last year.

4.4 FOBT users

- 4.4.1 FOBT users are a small subset of betting shop customers – 6 per cent use them “always/every time” when they visit a betting shop, 3 per cent use them “usually or most times”, and 5 per cent use them “sometimes”. Six per cent use them “rarely”. The remaining 76 per cent have never seen them, or are aware of them but have never used them, or have stopped using them, or don’t know.
- 4.4.2 Among betting shop customers who visit four or more times per week, 14 per cent use FOBTs “rarely” or “sometimes”, and 12 per cent use them “usually/most times” or “always/every time”.
- 4.4.3 Among those who visit betting shops two or three times per week, 16 per cent use FOBTs “rarely” or “sometimes”, compared with 11 per cent who use them “usually/most times” or “always/every time”.
- 4.4.4 Among those who visit betting shops between once per week and once per month, 9 per cent use FOBTs “rarely” or “sometimes”, and 9 per cent use them “usually/most times” or “always/every time”.
- 4.4.5 In the analysis which follows, and except where otherwise stated, we concentrate mainly on the 9 per cent of betting shop customers who use FOBTs “always/every time” or “usually or most times”. For convenience these are referred to as “more frequent FOBT users”.
- 4.4.6 Regular FOBT users are:
- overwhelmingly likely to be male (94 per cent)
 - predominantly younger (59 per cent are under 35, compared with 28 per cent for betting shop customers generally; and 28 per cent are under 25, compared with 12 per cent of betting shop customers generally)
 - predominantly in lower socio-economic groups (13 per cent are ABs, 23 per cent C1, and 61 per cent C2DE). These are very roughly the same proportions as for betting shop customers overall (8 per cent ABs, 22 per cent C1, and 67 per cent C2DE).
 - almost certainly in work (80 per cent)
 - among the less frequent betting shop visitors (62 per cent of more frequent FOBT users visit between once per week and once per month, compared with only 11 per cent of users who visit 4+ times per week)
 - overwhelmingly interested in playing roulette (99 per cent)

- mainly interested in using FOBTs “to win money generally” (36 percent) although 25 per cent say they play just for “fun or amusement”.
- 4.4.7 Almost one third (32 per cent) of all FOBT users have been using them for under 12 months. A further third (35 per cent) have been using FOBTs for between 12 months and two years.
- 4.4.8 Among more frequent users the proportions are little different: 30 per cent say they have been using FOBTs for under 12 months and 38 per cent for between 12 months and two years. Only 15 per cent – roughly 1 in 7 – of all FOBT users say they have been using FOBTs for three years or more, but among the “always/every time” players, 27 per cent say they have been using FOBTs for this long.
- 4.4.9 The weekly gambling expenditure of FOBT users is interesting. Those who use FOBTs “always/every time” have an average weekly gambling expenditure (that is to say, expenditure on all forms of gambling together) of £50.73, some £11.03 higher than for betting shop customers as a whole. Those who use FOBTs “usually/most times” have an average of £61.72 (£22.02 higher), and those who “rarely” or “sometimes” use a FOBT have an average of £98.07, £58.37 higher. The study thus suggests that more frequent FOBT usage is not correlated with higher spend on gambling.

FOBT spend

- 4.4.10 This year we included a question which asked all FOBT users how they put money into the FOBTs. This was because, over the last year, it has become possible to pay money or to use a debit card (not a credit card) over the betting shop counter, and for the counter assistant to credit the amount to the machine. This practice aims at minimising the amount of cash stored in FOBTs for security reasons.
- 4.4.11 In practice, paying for FOBT usage over the counter has not proved popular: 97 per cent of all FOBT users say they still put cash into the machine, with the remainder paying cash over the counter.

Spend per FOBT session

- 4.4.12 As in 2004, we asked FOBT users to think back to their last FOBT session and tell us how much money from their own pockets they had staked at the start of the session. The average for all FOBT users was £14.05, for those who played “usually or most times” it was £16.13, and for those who played “always/every time” it was £22.72. 71 per cent of all users staked under £16, 48 per cent under £10 and 24 per cent under £5.
- 4.4.13 We then asked users how much more money (if any) they staked after their first stake in the same session. Across all FOBT users, regardless of how frequently they used FOBTs, this question elicited a high non-response rate of 47 per cent (combining “don’t know/refused/can’t remember/not stated”). We have not therefore analysed the responses further.

4.4.14 We also asked what FOBT users did with their winnings, still asking them to think back only to their last session.

4.4.15 Seventy six percent of all FOBT users per cent had a win. Among those:

- 36 per cent kept all the winnings they had accumulated
- 39 per cent re-staked some of their winnings and kept the rest
- 24 per cent re-staked everything they had won

4.4.16 We asked FOBT users (a) whether their overall gambling spend had increased since they began using FOBTs and (b) whether their spend on FOBTs had increased since they had begun using them.

4.4.17 As regards overall gambling spend, just over half (51 per cent) of all FOBT users said it had stayed the same. Ten per cent said it had increased a great deal, and 24 per cent said it had increased a little. Seven per cent said it had decreased a great deal, and a further 7 per cent said it had decreased a little.

4.4.18 As regards spend on FOBTs, 53 per cent of all FOBT users said their spending had stayed the same. Thirteen per cent said it had increased a great deal and 16 per cent said it had increased a little. Conversely, 8 per cent said it had decreased a great deal, and 9 per cent a little.

4.4.19 Fifty per cent of more frequent FOBT users said their expenditure on FOBTs had not changed since they first started using them. However, 20 per cent of more frequent users in said their spend had increased a great deal, and 20 percent said it had increased a little. Only 10 per cent said it had decreased.

The appeal of FOBTs

4.4.20 Only 17 per cent of more frequent FOBT users and 8 per cent of all FOBT users said they began visiting betting shops because of FOBTs.

4.4.21 Twenty two per cent of more frequent users and 14 per cent of all users said they now visited betting shops more often because of FOBTs. Fifty five per cent of more frequent users and 72 per cent of all users said that FOBTs had made no difference and they visit with the same frequency.

4.4.22 Given that only 1 in 5 betting shop customers use FOBTs at all, we conclude that FOBTs have been only marginally instrumental in attracting customers to betting shops. This is consistent with evidence in paragraphs 4.3.9 and 4.3.10 that FOBTs do not rank high in betting shop customers' preferences.

4.4.23 The motivations of FOBT users have changed little from last year. In 2004, 41 per cent of all FOBT users said they played "to win money generally" and 22 per cent "just for fun or

amusement". The percentages this year were 35 and 25 respectively. These two motivations remain the most often stated, no matter how frequent or infrequent the FOBT user. The next most often stated, albeit a long way behind, were "a quick win" and "to pass the time between bets or races", at 7 per cent each.

4.4.24 Among betting shop customers who are aware of betting machines but have not used one or no longer use one, reasons given were also substantially similar across 2004 and 2005. The main reasons given were "I don't like machine games" (24 per cent this year, compared with 23 per cent last year) and "They're too complicated" (21 per cent this year, 17 per cent last). Only 2 per cent in both years said they thought FOBTs were addictive.

Frequency of use, and length of FOBT sessions

4.4.25 Six per cent of betting shop customers use a FOBT "always" or "every time" they visit, and 3 per cent use one "usually" or "most of the time". Eleven per cent use them "rarely" or "sometimes", leaving just over three quarters who have never seen them are aware of them but never used them or have used them and no longer do so.

4.4.26 Among the most frequent users (the "always/every time" respondents) 58 per cent play only one session per betting shop visit, 24 per cent play two sessions, and 7 per cent play three. Among those who use FOBTs "usually" or "most times", 42 per cent play one session, 33 per cent play two, and 11 per cent play three. Thus, under one fifth of more frequent FOBT users play more than three sessions per visit.

4.4.27 Among the "always/every time" users just over two thirds spend no more than 30 minutes on a session:

- 19 per cent spend under 10 minutes on a session
- 24 per cent spend 10 to 20 minutes
- 24 per cent spend 21 to 30 minutes.

4.4.28 Among those who "usually/most times" use FOBTs at each betting shop visit, two thirds spend no more than 30 minutes on a session:

- 18 per cent spend under 10 minutes on a session
- 29 per cent spend 10 to 20 minutes
- 20 per cent spend 21 to 30 minutes.

4.4.29 Among all FOBT users, regardless of frequency of use, 82 per cent spend no more than 30 minutes per FOBT session.

4.5 Views on the Code of Practice

Awareness

4.5.1 The question, put to all those who use or have ever used a FOBT, was:

“A Code of Practice was introduced in April last year (2004) which relates to betting machines in betting offices. Looking at the main aspects of the Code of Practice for Betting Machines, which, if any, were you aware of BEFORE today? “

4.5.2 We did not expect that users would be aware of the Code of Practice by name, since it is not publicised as such. But we thought that users would be at least somewhat more aware this year than last of the main provisions of the Code. In general this was not so.

4.5.3 Table 2 below shows the results for 2005 and 2004, divided between those who use FOBTs “rarely” or “sometimes” when they visit a betting shop (“more frequent users”), and those who use them “usually”/“most of the time” or “always”/“every time” (“occasional users”).

Table 2: awareness of the Code of Practice provisions among FOBT users

Provisions of the Code	Occasional users' awareness (per cent)		More frequent users' awareness (per cent)	
	2005	2004	2005	2004
Maximum payout of £500	13	21	25	27
Maximum four machines per shop, including fruit machines	15	11	13	26
Maximum individual stake £15, with £100 limit per transaction	8	1	12	13
No casino games other than roulette	11	8	18	13
Time between each bet at least 20 seconds	12	4	10	7
GAMCARE Help Page on every FOBT and GAMCARE material clearly displayed	15	8	16	12
Aware of any provision	37	44	45	50
Don't know	5	2	4	1
Base (weighted)	171	92	146	82

Source: MORI

4.5.4 General awareness of the provisions of the Code is still generally low, with under half of users aware of even one provision. Awareness of the provision of GamCare material has risen, though only to modest levels.

Support for or opposition to the Code

4.5.5 We went on to ask FOBT users to what extent, regardless of their knowledge of the Code, they were in favour of, or opposed or indifferent to, six key features of the Code that touch upon playing habits. Their summarised responses are as in Tables 3a and 3b below, and again we divide them between occasional users (those who play “rarely/sometimes”) and more frequent users (those who play “usually/most times and “always/every time”). We have not reported those who responded “don’t know” or said they had “no strong feelings”.

Table 3a: occasional FOBT users – balance of support for key features of the Code (2004 base = 92 weighted, 2005 base = 171 weighted)

	Per cent in favour		Per cent against		Net percent in favour or against	
	2005	2004	2005	2004	2005	2004
Maximum payout of £500	39	52	40	31	neutral	21 in favour
Maximum four machines per shop, including fruit machines	47	68	21	13	26 in favour	55 in favour
Max. individual stake £15, with £100 limit per transaction	39	38	37	35	2 in favour	3 in favour
No casino games other than roulette	27	42	43	28	16 against	14 in favour
Time between each bet at least 20 seconds	51	52	19	18	32 in favour	34 in favour
GamCare Help Page on FOBT screens and printed notices clearly displayed nearby	64	71	7	9	57 in favour	62 in favour

Source: MORI

4.5.6 Among occasional users there has been a notable swing away from support for limiting the payout to £500, and a stronger swing away from support for the idea that roulette should be the only casino-type game allowed. Even where there is still a net balance in favour, the balance is smaller.

**Table 3b: more frequent FOBT users – balance of support for key features of the Code
(2004 base = 82 weighted, 2005 base = 146 weighted)**

	Per cent in favour		Per cent against		Net percent in favour or against	
	2005	2004	2005	2004	2005	2004
Maximum payout of £500	32	38	50	49	18 against	10 against
Maximum four machines per shop, including fruit machines	46	62	16	21	30 in favour	41 in favour
Max. individual stake £15, with £100 limit per transaction	39	45	34	44	5 in favour	1 in favour
No casino games other than roulette	21	37	47	49	26 against	12 against
Time between each bet at least 20 seconds	50	59	18	21	32 in favour	38 in favour
GamCare Help Page on FOBT screens and printed notices clearly displayed nearby	50	78	3	8	48 in favour	70 in favour

Source: MORI

4.5.7 Among more frequent users also, opposition has intensified to the maximum payout and to the fact that, among casino games, only roulette is allowed. Support has strengthened for the limit on stakes, albeit to only a small net balance in favour. For all other elements of which more frequent FOBT users were in favour last year, the net balance of support has decreased.

4.5.8 Both groups continue to show a substantial net balance of support for GamCare warnings on and around the machines.

Effects of the Code

4.5.9 We went on to ask FOBT users what effects, if any, the Code of Practice had had on their use of FOBTs. Since the Code had been in place for between 16 and 18 months when the interviews were conducted, we put the questions only to those who said they had been using FOBTs for 18 months or more.

4.5.10 We then analysed the responses between occasional and more frequent users, as previously defined. Table 4 gives the details.

Table 4: reactions to the Code of those who have used FOBTs for at least 18 months

Since the Code came in...	Occasional users (per cent)	More frequent users (per cent)
I use FOBTs more often	3	23
I use FOBTs less often	28	10
I spend longer on FOBTs	2	13
I spend less time on FOBTs	33	10
I have changed the FOBT events I bet on	6	5
I spend more on FOBTs	3	13
I spend less on FOBTs	37	12
No change in any respect	33	54
Base (weighted)	171	146

Source: MORI

4.5.11 It is important to emphasise that the question was “since the Code was introduced”, not “as a result of the Code”. But it would appear, overall, that the provisions of the Code may have had an effect on occasional users, where the numbers who play less often/for shorter times/for less money outweigh the numbers who do the opposite. Among more frequent users, the numbers increasing their activity or spend marginally outweigh those reducing it.

4.5.12 We conclude that, on balance, over the last 12 months the Code has been neither decisively effective nor wholly ineffective in influencing the patterns of FOBT usage.

4.6 Problem gambling among betting shop users

Problem gambling rate among betting shop customers

4.6.1 The questionnaire used to test for problem gambling among betting shop customers, and the scoring of answers, were identical to what was done in the Omnibus surveys. Problem gamblers are those who give three or more positive responses to the ten questions in the DSM-IV screen.

4.6.2 The rate of problem gambling identified among betting shops customers this year was 5.31 per cent, compared with 8.25 per cent last year. The confidence interval around this year’s central rate of 5.31 per cent is 4.19 per cent to 6.43 per cent; the confidence interval round last year’s central rate was 6.50 per cent to 10.01 percent. The highest value this year is not substantially different from last year’s lowest value, but there is a difference. The statistics do therefore suggest that the prevalence of problem gambling among betting shop customers has fallen. We can say with greater certainty that it has not increased.

Not stated/don't know/refusal rates in the problem gambling questions

- 4.6.3 As we reported earlier, the problem gambling self-completion questionnaire consists of the ten questions set out in Appendix 4. Not all questions produced the same percentage of non-responses, but answers are required to all ten for a return to count as complete.⁹
- 4.6.4 The question that produced the highest non-completion rate was question 10, namely "When you gamble, how often do you go back another day to win back money you lost?" 15 per cent did not answer this question, and because it causes an incomplete return it is this omission that determines the overall "don't know/not stated/refusal" rate. MORI obtained "not stated" rates of between 13 and 14 per cent for the other nine questions.
- 4.6.5 The overall "not stated" rate of 20 per cent in 2005 was lower than the 25 per cent rate obtained in 2004. It compares with a rate of 23 per cent in this year's Omnibus waves 1 and 2, and 20 per cent in waves 3 to 6.
- 4.6.6 In Appendix 13 we analyse the non-respondents to see if there are any distinctive characteristics among them, and conclude that there are not.
- 4.6.7 Only 3 per cent of betting shop interviewees did not answer the question whether there was or had been someone in their immediate family with a gambling problem. This question does not form part of the DSM-IV test.

Demographics of problem gamblers among betting shop customers

- 4.6.8 Problem gamblers among betting shop customers have the following demographic characteristics:
- 92 per cent are male.
 - Fourteen per cent of problem gamblers are aged 18 to 24, 22 per cent are aged 25 to 34, 43 per cent are 35 to 54, and 21 per cent are 55 or over. These proportions are broadly similar to last year.
 - Only 4 per cent are in socio-economic groups AB, 27 per cent in C1, 23 per cent in C2, and 41 per cent in DE. Again, these proportions are broadly similar to last year.

⁹ One of the peer reviewers of this report, Professor Linda Hancock, commented that we would have underestimated the number of problem gamblers if there were some who had scored three "positive" answers but had nevertheless not answered all then questions. The vast majority of those who did not answer all ten questions did not in fact answer any of them. There were six who had scored three "positive" replies but did not complete the full set of questions. We take the view that the test should be fully completed to be valid, so we are not proposing to amend the report. Adding the six into our analysis makes negligible difference to the analysis and no difference to our conclusions.

- Forty seven per cent are married or living as married, and 37 per cent are single. Those divorced, separated or widowed account for 13 per cent (up from 5 per cent last year).

4.6.9 Thirty per cent said they had started gambling regularly, using their own money, below the age of 16 (possibly illegally, depending what form the gambling took and where it was done).¹⁰ A further 17 per cent said they had started at age 16 or 17, i.e. possibly illegally, depending on what forms of gambling were involved. A further 39 per cent started while they were aged 18 to 20. It is striking that 85 per cent of problem gamblers began regular gambling while still no more than 20.

4.6.10 Sixteen per cent said they have, or have had, problem gambling in the immediate family, compared with the 28 per cent recorded last year.

Patterns of problem gambling in betting shops

4.6.11 Sixty seven per cent of problem gamblers have been visiting betting shops for 10 years or more and 72 per cent for 5 years or more. Conversely, 24 per cent are relatively new customers, who have been visiting betting shops for no more than two years (including 10 per cent who have been visiting for no more than 6 months).

4.6.12 Forty per cent of problem gamblers visit betting shops once per week, 35 per cent visit 2 or 3 times per week, and 24 per cent visit 4 times per week or more. Thus, problem gambling is not concentrated among the most frequent betting shop customers.

4.6.13 However, those who spend longer periods of time in the betting shop are more likely to be problem gamblers: 42 per cent of problem gamblers spend over an hour at each visit, 22 per cent spend 31 to 60 minutes, 26 per cent spend 10 to 30 minutes, and only 6 per cent spend under 10 minutes.

4.6.14 Inside the betting shop, 80 per cent of problem gamblers bet on horses at least once per month, 47 per cent on dogs, 42 per cent on FOBTs, 38 per cent on football and 20 per cent on fruit machines. Numbers betting (e.g. 49s, Rapido, Irish Lottery, etc) attracts 18 per cent and all other types of sport another 7 per cent. The average number of betting shop activities practised by problem gamblers is 2.5.

4.6.15 Outside the betting shop, 50 per cent of problem gamblers regularly buy National Lottery tickets, 12 per cent buy other lottery tickets, and 12 per cent buy scratch cards. 37 per cent regularly bet at racecourses or dog tracks, 32 per cent use fruit machines, 22 per

¹⁰ People who started gambling below the age of 16 on fruit machines (AWPs) may have done so quite legally, since AWP's have historically been licensed for use in a wide variety of premises. Under the Gambling Act 2005 these machines will be removed from places frequented by children, e.g. fish and chip shops, but they can still be played by children in family gaming centres (especially to be found at the seaside).

cent use jackpot machines and 21 per cent do football pools. The average number of activities practised by the same group of problem gamblers is 2.4.

4.6.16 Because fruit machines are available both inside and outside betting shops we cannot simply sum 2.5 and 2.4 to calculate the average number of forms of gambling used by problem gamblers, but the average is likely to be above 4.

4.6.17 Spend by problem gamblers is set out in Table 5 below.

Table 5: weekly spend by problem gamblers and non-problem gamblers on all types of gambling together

Weekly spend	Percentage of problem gamblers	Percentage of non-problem gamblers
Up to £9.99	8	35
£10 to £49.99	44	51
£50 to £100.99	26	9
£101 to £250.99	10	4
£251 to £500	6	1
Over £500	-	-
Not stated, refused, don't know, or can't remember	5	1
Base (weighted)	82	1141

Source: MORI

Problem gambling and FOBT usage

4.6.18 Ninety seven per cent of problem gamblers said they were aware of FOBTs.

4.6.19 However, FOBTs do not figure prominently in problem gamblers' activities:

- 33 per cent say they have never used one
- 6 per cent say they have used FOBTs but no longer do
- 13 per cent say they have used them once or twice.

4.6.20 Forty per cent of problem gamblers use betting machines "more frequently", i.e. "always/every time" or "usually/most times" on a betting shop visit, compared with 14 per cent last year. For comparison, 80 per cent of problem gamblers bet on horses, 50 per cent buy National Lottery tickets, 47 per cent bet on dogs, 38 per cent bet on football and 37 per cent bet on-course.

4.6.21 Among those who use or have ever used a FOBT, and are problem gamblers, 4 per cent have been using FOBTs for between 6 and 12 months, 2 per cent for between 12 and 18 months, 3 per cent for between 18 and 24 months, and 3 per cent for more than two years. Even if problem gambling could associated with FOBT usage (which we go on to

show is not the case) these figures do not suggest that FOBT usage *quickly* leads or adds to problem gambling, nor indeed that it develops over a longer period of time.

4.6.22 Among those who are occasional or more frequent FOBT users, and are problem gamblers, the availability of FOBTs does not appear to have been decisively influential in their patterns of visiting betting shops. Fifty eight percent say their visits are no more frequent, or are less frequent, than before FOBTs were introduced; 31 per cent say they now visit betting shops more frequently, and 10 per cent say they started visiting because of FOBTs.

4.6.23 Overall, although FOBTs have risen in popularity among the forms of gambling pursued by problem gamblers in betting shops, they rank no higher than fourth. They form part of what one might think of as a “second rank cluster” of gambling pursuits (comprising greyhounds, fruit machines, betting on football and FOBTs) which sit a long way behind the favourite betting pursuit, namely horseracing.

4.7 Econometric modelling

Purpose of the econometric analysis

- 4.7.1 The benefit of econometric analysis, over and above a conventional interrogation of tabulated results, is that (in this case) we are able to assess the impact of single characteristics on problem gambling while holding all other characteristics at constant values.
- 4.7.2 The purpose of the analysis was to test whether the association between problem gambling and FOBT usage is statistically significant, and, if it is, whether it is more significant than that between problem gambling and other forms of gambling; and whether demographic features (for example age, socio-economic group, and so on) are more associated with problem gambling than any other specific form or forms of gambling.
- 4.7.3 To do this we constructed an econometric model based on data from the 2005 betting shop survey, which contains 1,545 observations (interviews).
- 4.7.4 On the basis of the self-completion questionnaire, 5.3 per cent of the sample was classified as problem gamblers. This percentage is calculated as a fraction of responses excluding incomplete responses (where the interviewee completed some but not all of the problem gambling questions) or “don’t know” responses.
- 4.7.5 The interviews in betting shops were conducted on the busiest days of the week (Thursdays, Fridays and Saturdays) in order to ensure that enough interviews could be achieved. The counteract the over-representation which results, we weighted the observations by the frequency of betting shop visits recorded in the Omnibus surveys: in this way we ensured that the final sample was representative of the true frequency of visits among betting shop customers across a whole week.

Limitations of the analysis

- 4.7.6 It is important to emphasise that it is not possible to use the econometric analysis to establish cause and effect. Any association that we observe could be the result of several factors.
- 4.7.7 We emphasise also that the model (like the report as a whole) deals only with problem gamblers who frequent betting shops – not with the generality of problem gamblers across the adult population. Although the Omnibus surveys served to identify the prevalence of problem gambling within adults across Great Britain as a whole, the absolute numbers found were far too small to permit meaningful analysis – and the difficulty would become even more acute if the numbers identified were subdivided between betting shop visitors and others.

The model variables

- 4.7.8 The model we constructed is a logit model. The dependent variable is a binary variable representing problem gambling status. In the model, problem gambler=1 if the respondent scores three or more positive answers in the self-completion questionnaire, and 0 otherwise
- 4.7.9 The independent variables (the determinants of the model) are chosen from a variety of socio-economic and demographic data available. The variables in Table 6 on the following page are those that we included in the final regression.

Table 6: variables and sample statistics (weighted) used in the logit model

Variable name	Description	Weighted mean and standard deviation
Age first gambled	The age at which the respondent started gambling. There are 6 possible categories. An ordinal variable was created, and the value assigned is recorded in parentheses. Under 16 years (1) 16-17 years (2) 18-20 years (3) 21-25 years (4) 26-30 years (5) 31+ years (6)	Mean: 3.32, std deviation: 0.063 i.e. the average age at which the respondents in this sample started gambling was between 18 and 20 years.
Gender	This was coded as a dummy variable with Gender=0 if female Gender=1 if male	Mean: 0.85, std deviation: 0.018 i.e. 85 per cent of the sample were men
Age	There are 6 possible categories. An ordinal variable was created and the value assigned is recorded in parentheses. 18-24 years (1) 25-34 years (2) 35-44 years (3) 45-54 years (4) 55-64 years (5) 65 years + (6)	Mean: 3.69, std deviation: 0.076 i.e. the average age of the respondents in the survey was between 45 and 54 years.
Social Class	There were 6 social classes (A, B, C1, C2, D, E). For each a dummy variable was created, which equals 1 if the respondent belonged to that particular class and 0 otherwise.	The breakdown of the sample is as follows: Class A 0.97% Class B 7.45% Class C1 23.02% Class C2 32.88% Class D 23.66% Class E 12.03%
Unemployed	This is coded as a dummy variable, which takes the value of 1 if the respondent is unemployed and 0 otherwise.	Mean: 0.048, std deviation: 0.0066 i.e. 4.8 per cent of the sample was unemployed.
Dependent children	This is coded as a dummy variable which takes the value of 1 if the respondent has dependent children under 18 in the household and 0 otherwise.	Mean: 0.21, std deviation: 0.0179 i.e. 21 per cent of the respondents had dependent children
Problem gambling in the family	This is a dummy variable which takes the value of 1 if any one in the immediate family has or has had a gambling problem, and 0 otherwise	Mean: 0.043, std deviation: 0.0090 4.3% cent of the respondents had a problem gambler in the family
Marital status	This is coded as a dummy variable, which equals 1 if the respondent is married and 0 otherwise.	Mean: 0.448, std deviation: 0.0228 i.e. 45% of the sample were married
Frequency of betting shop visits	This is coded as a continuous variable, with the frequency computed over a month.	Mean: 7.41, std deviation: 0.206 i.e. on average, respondents visited betting shops 1.7 times a week.

Source: Europe Economics from MORI

4.7.10 We checked firstly that the variables we used in the model were jointly significant. The p-value of the model, the result of a Wald chi-squared test of joint significance, was 0.0000, which indicates that the variables are all jointly significant in explaining the model.

Results

4.7.11 The statistical output appears in two tables in Appendix 14. Here we describe only the main findings.

The nature of the results

4.7.12 The results represent what are known as “marginal effects”.¹¹ A marginal effect tells us how the probability that someone is a problem gambler changes as each explanatory variable changes by one unit while other values are held constant at the reference category. In the case of a dummy variable that is ascribed a value of 0 or 1, the marginal effect defines the change in the probability that a given individual will be a problem gambler as the dummy variable changes from 0 to 1.

4.7.13 Note that a change in a particular variable affects the probability that an individual *is* a problem gambler, not the likelihood that he or she *will become* one. The model is not predictive, and we repeat that neither the model nor the methodology used in this research can be used to establish cause and effect.

4.7.14 To compute marginal effects, a reference case has to be defined at which all other variables are held constant as the effect of a change in the one specified variable is computed. We define this reference case as the mean of each variable. For the dummy variables, we specify the reference case as a married man, belonging to class C2, employed, with no dependent children and with no problem gambler in the family.

4.7.15 The reference case for the model defines the values at which the other variables are to be held constant and against which marginal effects are measured.

4.7.16 Where a variable contains multiple categories (i.e. where interview questions allow a range of responses) we also need also to decide a reference category against which other categories of the same variable are compared. For example, in the case of “age when started to gamble” we chose as our reference category “started to gamble when less than 16”, and the marginal effects of all other age categories are compared with this.

The results – demographic variables

4.7.17 We report only significant findings, whether at 10 per cent, 5 per cent or 1 per cent confidence intervals. These are marked by asterisks in the two tables in Appendix 14.

¹¹ The word “marginal” here connotes incremental rather than small-scale or insignificant.

Values which have no asterisks against them have no significance, regardless of the value calculated.

- 4.7.18 We considered first a group of demographic variables.
- 4.7.19 The first variable considered was the **age at which the individual started gambling**. The base category for this variable is defined as “started gambling when younger than 16 years”. Compared with this base case, individuals who start gambling when 16-17 years old are less than half as likely to be problem gamblers as those who start at under age 16. The coefficients become stronger in magnitude and significance as age increases, suggesting that the later individuals start gambling, the less likely it is that they are problem gamblers.¹²
- 4.7.20 **Age** (i.e. age now, not age when started gambling) is not, however, strongly correlated with problem gambling. The reference category here is 18-24 year olds.
- 4.7.21 **Socio-economic group** is also not significantly associated with problem gambling. As compared with those belonging to class E (the reference category), those belonging to other social classes are not significantly more or less likely to be problem gamblers.
- 4.7.22 **Employment status** is not significant. Alternative specifications (such as using a dummy for being the chief income earner or a dummy for being in full-time employment) yields similar results.
- 4.7.23 Having **dependent children** in the family is not significant.
- 4.7.24 **Marital status**, however, is significant. Married individuals are less likely (than those with other marital status) to be problem gamblers, and conversely problem gamblers are less likely than non-problem gamblers to be married.

Results – betting variables

- 4.7.25 We next considered variables relating to betting habits.
- 4.7.26 The **frequency of visiting betting shops** is significant. The more frequent visitors to betting shops are more likely to be problem gamblers.
- 4.7.27 No one form of **betting inside the betting shop** is significant. In this context, **neither FOBTS nor AWP are more correlated with problem gambling** than any other product available in betting shops.

¹² The minimum age for entry to a betting shop is 18, and bookmakers insist that they enforce this requirement with vigour. In these circumstances we suggest it is much more likely that under-16 gambling habits start outside betting shops than within.

4.8 Principal differences between Round 2 and Round 1 results

- 4.8.1 A principal difference between the Round 2 and Round 1 surveys is of course the 63 per cent increase in sample size, at 1,545 this year compared with 945 last.
- 4.8.2 The only significant demographic change is that the percentage of betting shop customers in the survey who are white (British, Irish or other) has risen from 83 to 94 percent. There has been a reduction, from 7 per cent to 1 per cent, of Asian or Asian British customers, and from 6 per cent to 3 per cent of Black or Black British customers, but we caution that these are very small sub-samples.
- 4.8.3 Among all the forms of gambling pursued outside the betting shop by betting shop customers, there have been only two notable changes – a decrease in the prevalence of betting on-course (from 49 per cent to 39) and an increase in football pools, from 23 to 27 per cent, reversing a long term decline.
- 4.8.4 Within the betting shop, the popularity of betting on horseracing has fallen from 79 per cent of customers to 73, and betting on greyhounds from 34 per cent to 25. Betting on football matches has increased from 30 per cent to 37.
- 4.8.5 The evidence on changes in expenditure points in different directions. The following are the key differences and inconsistencies:
- (a) Average weekly spend by betting shop customers on all forms of gambling together rose from £36.95 last year to £39.70 this year.
 - (b) The average first stake of FOBT customers this year was £14.05, compared with £11.25 last year. The average follow-on amount staked was £20.94, compared with £17.25 last year.
 - (c) In absolute terms none of these expenditure increases is large. Yet an increasing proportion of FOBT users think their expenditure on FOBTs has increased (by a great deal or a little) since they first became available – 29 per cent this year compared with 17 per cent last year. A similar proportion think their overall expenditure on gambling has increased (by a great deal or a little) over the same time (34 per cent this year versus 22 per cent last).
- 4.8.6 Inconsistently with what is reported in (c) above, 32 per cent of FOBT users who started using FOBTs at least 18 months before say they spend less on FOBTs since the Code of Practice was introduced, and 49 per cent say they spend the same amount. Only 7 per cent say they spend more.
- 4.8.7 The gambling preferences of those betting shop customers who are problem gamblers have changed somewhat as between this year and last. In general, forms of gambling that were among the less popular in 2004 have become more popular in 2005: thus, fruit machines have risen from 14 per cent to 20 per cent, betting on football from 20 per cent to 38 per cent, and FOBT usage among the “more frequent” users from 12 per cent to 40

per cent. The most popular forms in 2004 remain the most popular in 2005, though by diminishing margins. Greyhound racing is second favourite, though at 47 per cent this year compared with 63 per cent last. Horseracing remains still by far the most popular, though at 80 per cent this year compared with 87 per cent last.

- 4.8.8 These differences notwithstanding, one underlying consistency remains – and that is the fact that neither round of research has been able to establish an association, among betting shop customers, between FOBTs and problem gambling, or indeed an association between any form of gambling and problem gambling. It is hard to believe that examining some other form of gambling along the same lines as we have used here would produce a different result.
- 4.8.9 In brief discussions with ABB and DCMS before this report was finalised we ventured to suggest that a viable alternative approach might be to secure a substantial sample of problem gamblers and to establish what they believed were the causes of, and/or influences on, their gambling addiction. We do not say that this approach *would* work, but it might provide insights that do not arise from an examination of gambling forms.

5 CONCLUSIONS

- 5.1.1 Gambling prevalence – measured as gambling at least once per month by adults (those aged 18 or more) across Great Britain – is almost unchanged from the Round 1 research. Waves 1 and 2 of the Omnibus survey, which cover all forms of commercially available gambling plus private betting, indicate that 42 per cent of adults in 2005 were regular gamblers, exactly the same percentage as in 2004. Waves 3 to 6 of the Omnibus survey (which eliminate lotteries, scratch cards, football pools and bingo from analysis) indicate that in 2005, 7 per cent of adults were regular gamblers, compared with 8 per cent in 2004.
- 5.1.2 The National Lottery remains by far the most widespread form of gambling, attracting 89 per cent of regular gamblers in 2005 and 88 per cent in 2004. There have been only small changes in the usage of other forms of gambling.
- 5.1.3 If we include lotteries, scratch cards, football pools and bingo, gambling expenditure by regular gamblers increased slightly between 2004 and 2005, from an average of £5.27 per week to £5.46, an increase of 4 per cent. If we exclude these forms of gambling, average weekly expenditure by regular gamblers fell quite substantially, from £20.74 per week in 2004 to £12.18 in 2005, a fall of 41 per cent.
- 5.1.4 FOBTs, the principal focus of this research, remain unknown to and untouched by a large percentage of the population:
- In both 2004 and 2005 we found the same high percentages of regular gamblers who said they had never heard of or seen a FOBT – 78 per cent in Waves 1 and 2.
 - If we include lotteries, scratch cards, football pools and bingo in the analysis of regular gamblers' activities, FOBT users are a very small fraction (1.4 per cent) of regular gamblers and a tiny fraction (0.6 per cent) of the adult population. If we exclude lotteries, scratch cards, football pools and bingo, regular FOBT users account for 7 per cent of those who regularly use the thirteen remaining forms of gambling, and a tiny fraction of adults (0.5 per cent).
- 5.1.5 The prevalence of problem gambling among the adult population as a whole has probably not increased and may well have decreased slightly. The central rate of problem gambling across all forms of gambling fell from 0.50 per cent in 2004 to 0.41 per cent in 2005. If we exclude lotteries, scratch cards, football pools and bingo, the central rate fell from 0.37 per cent in 2004 to 0.23 per cent in 2005. Although the total sample was large, at almost 12,000 adults, the limitations inherent in sampling mean that we cannot simply compare central rates – which is why we can say only that the prevalence of problem gambling has *probably* decreased.
- 5.1.6 FOBTs are available only in betting shops, so we considered the habits of betting shop customers in greater detail. The percentage of adults regularly visiting betting shops has

fallen slightly, from 8 per cent in 2004 to 7 per cent in 2005. Excluding lotteries, scratch cards, football pools and bingo from analysis (i.e. using Waves 3 to 6 of the Omnibus survey) we found that the percentage of regular gamblers regularly visiting betting shops fell from 45 per cent in 2004 to 37 per cent in 2005. Nevertheless, among the thirteen forms of gambling studied in Waves 3 to 6, the betting shop remains the favourite with regular gamblers.

- 5.1.7 Betting shop customers are overwhelmingly male (86 per cent) and typically among older age groups: 28 per cent are under 35 compared with 72 per cent aged 35 and over. The largest single age group is the 55+, at 37 per cent.
- 5.1.8 Betting shop customers tend also to come from the poorer socio-economic groups: 8 per cent are ABs, 22 per cent are C1s, and 67 per cent are C2DEs.
- 5.1.9 Sixty two per cent of betting shop visitors have been customers for at least 10 years and 72 per cent for at least 5 years. Only 9 per cent of customers have been visiting for less than one year.
- 5.1.10 The frequency with which regular gamblers visit betting shops is that 26 per cent visit less than once per week but at least once per month, 41 per cent visit once per week, and 24 per cent visit two or three times per week. Thus only 9 per cent visit four or more times per week – down from 12 per cent in 2004.
- 5.1.11 The gambling expenditure of regular betting shop visitors (measured as amounts staked) has risen slightly from £36.95 in 2004 to £39.70 in 2005, an increase of 7 per cent. We emphasise that these amounts represent expenditure on all forms of gambling, not just expenditure in betting shops.
- 5.1.12 The preferences of regular betting shop customers within the betting shop are (in order of percentage participating): horses 73 per cent, football matches 37 per cent, dogs 25 per cent, numbers betting 14 per cent, and FOBTs 9 per cent. FOBTs thus rank fifth, as they did in 2004.
- 5.1.13 Betting shop customers also participate regularly in gambling opportunities outside the betting shop. Their gambling preferences here are (again measured as percentage participating): National Lottery 50 per cent, betting on-course 39 per cent, football pools 27 per cent, and other lotteries 14 per cent. On a combined basis, FOBTs rank ninth in the gambling preferences of betting shop customers.
- 5.1.14 The typical betting shop customer is thus an older, less affluent male who has been visiting betting shops for many years and is attracted above all by horses and not much by FOBTs. Under 1 in 10 betting shop customers regularly uses a FOBT.
- 5.1.15 More frequent FOBT users (those who play “usually/most times” or “always/every time”) are a rather different group from the typical betting shop customer. Fifty nine per cent are under 35, compared with 42 per cent aged 35 and over – a very different profile from that described in paragraph 5.1.7.

- 5.1.16 Nevertheless, even more frequent FOBT users do not play many sessions per betting shop visit. Fifty three per cent play only one session and a further 27 per cent play only two.
- 5.1.17 Thinking back to their last FOBT session, 76 per cent of all users said they had had a win. Of that 76 per cent, under one quarter (24 per cent) re-staked everything they had won, while the remainder were evenly divided between those who kept all their winnings (39 per cent) and those who kept some and re-staked the rest (36 per cent).
- 5.1.18 The survey thus suggests that FOBTs are attractive only to a small minority of betting shop customers, that they do not induce frequent or prolonged play, and that few users re-stake all their FOBT winnings. At first glance, therefore, FOBTs do not appear to have provoked a proliferation of gambling or to have fuelled addictive gambling.
- 5.1.19 The prevalence of problem gambling among betting shop customers is almost certainly lower in 2005 than it was in 2004, even allowing for sampling error. The central rate fell markedly, from 8.3 per cent in 2004 to 5.3 per cent in 2005.
- 5.1.20 Problem gamblers in betting shops participate, on average, in at least 4 forms of gambling, roughly half these forms inside and half outside the betting shop. FOBTs rank fourth in the preferences of problem gamblers, after betting on horses, betting on dogs, and the National Lottery, and just above betting on football matches. FOBTs and betting on football matches are more popular with problem gamblers in 2005 than in 2004.
- 5.1.21 However, the strongest associations with problem gambling are not particular forms of gambling but other characteristics of problem gamblers themselves. The strongest associations with problem gambling, verified by econometric analysis, are (in order):
- the age at which regular gambling started (someone who started gambling before the age of 16 is much more likely to be a problem gambler than someone who started later)
 - marital status. Married individuals are less likely to be problem gamblers.
 - the frequency of visiting a betting shop, i.e. more frequent visitors to betting shops are more likely to be problem gamblers.
- 5.1.22 No association was found between problem gambling and any specific form or forms of gambling, whether inside or outside the betting shop.
- 5.1.23 As regards the FOBT Code of Practice, the results of the survey indicate that among occasional and more frequent users there have been swings away from support for limiting the payout to £500 and for the idea that roulette should be the only casino-type game allowed. Support has strengthened for the limit on stakes, albeit to only a small net balance in favour. For all other elements of which more frequent FOBT users were in favour last year, the net balance of support has decreased.

- 5.1.24 However, support for or opposition to the Code does not necessarily make it effective or ineffective. Overall, the effects of the Code are probably marginal, but, at the margin, probably beneficial.
- 5.1.25 We think the Code may be better viewed as part of a package of measures and promotions that bookmakers, gambling charities and the Government have taken to deter problem gambling. It is beyond the scope of this research to disentangle the effects of each element of the package, but the fall in the problem gambling rate among betting shop customers suggests that the package overall has had some beneficial effect.

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