



## Revealed: The £46bn cost of Britain's roulette machine addiction... and Labour made a mistake allowing 'casinos' to flourish, admits Harman

- Staggering £12.5bn gambled via William Hill and Ladbrokes betting machines in first six months of this year alone
- Latest figures have shocked MPs, who have asked for tighter regulation of Fixed Odds Betting Terminals
- Shadow Culture Secretary Harriet Harman admits Labour was wrong to relax gambling laws
- Married father of three tells how he lost his business after frittering away £100,000 on electronic roulette

By [Sarah Bridge](#) and [Abul Taheer](#)

The extent of Britain's addiction to controversial casino-style gambling machines is revealed today with the disclosure by two bookmaker giants that more than £12 billion was wagered on their machines in the first half of this year.

William Hill said £6.6 billion was staked on electronic Fixed Odds Betting Terminals (FOBTs) in their 2,371 betting shops from January to June.

Meanwhile, Ladbrokes said £5.9 billion was wagered on FOBTs in their 2,137 outlets across the country in the same period.



Controversial: William Hill said £6.6bn was staked on electronic Fixed Odds Betting Terminals (right) in their 2,371 betting shops from January to June

By comparison, William Hill said £1.3 billion was wagered on over-the-counter bets on sports including horse racing and football over the same period. Ladbrokes said £1.2 billion was wagered on their over-the-counter bets in the first half of this year.

The chains revealed they made more than £350 million in net profit in the same period from FOBTs.

A staggering £12.5 billion was gambled via William Hill and Ladbrokes' betting machines in the first six months of this year alone.

With more than 17,000 machines between them, the top two bookies account for just over half of the 32,000 machines in the UK. This means that for the whole of 2012, £25 billion is likely to be gambled at those bookmakers alone.

Even allowing for the fact that machines in other bookmaking chains might not have as many people playing them, the rapid and continuing rise in popularity of FOBTs means that the total for the year across the industry could be as much as £46 billion.

Other betting chains such as Coral and Paddy Power do not reveal how many FOBTs they operate or the amount of money wagered on them.



Big money: Ladbrokes said £5.9 billion was wagered on electronic gambling machines in their 2,137 outlets across the country in the same period

The latest figures – which were published by William Hill and Ladbrokes as part of their half-yearly results – have shocked anti-gambling campaigners and MPs, who have asked for tighter regulation of FOBTs. Gareth Wallace, a policy adviser for the Salvation Army, said: 'Studies have shown they are eight times more addictive than other forms of gambling.'

Toby Scott, director of communications for the Methodist Church in Britain, said: 'The profit made from FOBTs is staggering. This is money being taken out of communities and family budgets. FOBTs are known as the "crack cocaine" of gambling.'

Labour MP David Lammy said the machines have led to a huge expansion of bookmakers in some areas of the country. He said: 'I want tighter regulation. If you look through the windows of bookies, all you see is young people losing money on these machines.'



Small change: By comparison, William Hill said £1.3bn was wagered on over-the-counter bets on sports including horse racing and football over the same period

FOBTs are either slot or virtual roulette machines with maximum payouts of £500 per bet. The slot machines allow a spin every three seconds, and customers can wager as much as £2 per bet. The virtual roulette machine allows three spins per minute and can swallow up to £18,000 in one hour. The maximum bet is £100 per spin.

FOBTs offer better chances of winning than other types of gambling. On average, betting shops keep 8p for every £1 wagered, as 92p is given back as winnings. On the virtual roulette, the payout rate is 97.3 per cent.

With over-the-counter betting, the average payout rate is 85 per cent.

FOBTs were introduced in British betting shops in 2001 under the previous Labour Government, after the then Chancellor, Gordon Brown, abolished duty on individual bets in favour of a tax on bookmakers' gross profits.

Had there not been a change in law, bookmakers would not have installed FOBTs as the tiny profit margin they make per stake would have been wiped out by the duty. Experts say FOBTs have stopped thousands of bookmakers from going out of business.

Gambling industry figures show that each FOBT machine earns a betting shop just under £1,000 per week.

As bookies across the country have on average four machines – the maximum allowed – FOBTs are earning a bookmaker about £4,000 per week before tax and deductions.

William Hill have revealed that the gross profit they make from FOBTs has been steadily increasing. This year, they have been making £924 per week per machine, compared with £648 per week in 2007.





Other betting chains such as Coral and Paddy Power do not reveal how many FOBTs they operate or the amount of money wagered on them

In June, the Commons Culture, Media and Sport Committee recommended that the limit of four FOBT machines be increased if the local council feels this would prevent the clustering of gambling shops. Mr Lammy said: 'It appears the Culture, Media and Sport Committee has been nobbled by the gambling industry.'

A spokesman for the Association of British Bookmakers (ABB) said: 'There is no evidence of a causal link between electronic gaming machines and problem gambling.'

A spokesman for Ladbrokes said: 'FOBTs are popular products because they offer high payouts to customers, and there is no evidence to suggest that they are addictive.' A William Hill spokesman referred The Mail on Sunday to the ABB for comment.

### **We made a mistake allowing 'casinos' to flourish in the high street**



Regretful: Shadow Culture Secretary Harriet Harman admits Labour was wrong to relax gambling laws

Shadow Culture Secretary Harriet Harman has admitted the Labour Government was wrong to relax gambling laws that have brought high-stakes gambling machines to bookmakers in Britain. In an interview for Channel 4's Dispatches to be shown tomorrow evening, Ms Harman condemned her party's Gambling Act for promoting an increase in bookies with Fixed Odds Betting Terminals (FOBTs), which she believes are blighting some of the UK's poorest communities. Labour's deputy leader, who was a senior member of the Cabinets of Tony Blair and Gordon Brown, said: 'I think we were wrong. We have made a mistake and we need to do something about it. 'If we had known then what we know now, we wouldn't have allowed this. 'It's not just ruining the high street, it's ruining people's lives.' This is the first time Ms Harman, who is in charge of Labour's gambling policy, has explicitly blamed the Labour Government for the increase in gambling. Ms Harman said she had been driven to speak out after hearing stories from people who have become hooked on FOTBs, which allow people to stake £100 at a time on roulette, blackjack or poker games in the hope of winning £500.

'I have got the most heart-rending letters and emails and calls that I've ever had in 30 years of being an MP, just saying, "Please, do something about this. It's ruined my life, it's ruined my family, it's really dangerous."

'And the problem is, it's getting worse and that's why we need the law changed so that something can be done about it.'

Ms Harman, MP for Camberwell and Peckham, said FOTBs were 'bringing casinos right into the high street'.

She added: 'These machines are like mini-casinos – they're not like the small machines you have in seaside arcades. People get addicted and lose all their money.

'And yes, I think the legislation does need to be changed.'

### **NEIL HAS GAMBLLED AWAY £100,000 ON ELECTRONIC ROULETTE**

Neil is a married father of three, aged 51 and hooked on playing electronic roulette in high street betting shops.

He bet £1,000 some weeks and has gambled £90,000 to £100,000 away.

He lost his own business, almost lost his wife, and although he has found a job in advertising he is struggling to keep his £400,000 house in Enfield, North London.

'I have always enjoyed a gamble on the horses, but my problems started when those machines came into the high street.

'Once you get started, you can't imagine the buzz and adrenaline,' says Neil, one of the gamblers who wrote to Harriet Harman.

He wants to remain anonymous to protect his family.

'I couldn't stop. I'd be playing £100 almost every minute. It started if I got stressed at work.

'You go in with a £20 note and then it escalates and it's a credit card. FOTBs should only be allowed in casinos and should be cash-only, as people play until their credit card is declined.

'And people should have to show ID to gamble, to prove they are over 18. You don't know how many times I've seen teenage kids pushing tenners into machines.'

Neil joined Gamblers Anonymous 18 months ago and says he has now controlled his gambling.

The Dispatches documentary also revealed a link between the affluence of an area and the concentration of betting shops – with more bookies per capita in deprived areas.

Ms Harman's stance puts her at odds with MPs on the influential Commons Culture, Media and Sport Committee, which recently called for more gaming machines in bookies to prevent clusters of betting shops in high streets.

Their proposal is to allow local councils to license each betting shop and decide the number of machines allowed in each outlet. This could mean an increase in the current maximum of four.

Clive Efford, the Shadow Minister for Sport, confirmed Labour was reviewing gambling laws.

He said: 'We really need to know the impact of FOBTs on problem gambling and people on low incomes.'

'When someone goes to a casino, they dress up and make a conscious decision to go there with money and they understand they may lose. But what happens in a betting shop now is that someone can wander in, start to play a machine and very quickly lose a lot of money.'

'This ease with which people can just pop in to gamble in a local high street and lose significant amounts of money is what we must address.'

A Department for Culture, Media and Sport spokesman said: 'The Government has no plans to amend the Gambling Act unless there is clear evidence of a need to do so.'

The Association of British Bookmakers, which represents 7,000 betting shops, said: 'Betting shops are highly regulated, with established and effective security procedures, and work very closely with police.'

'A shop is only opened when there is a business case to do so. Levels of deprivation are simply not a consideration when looking at potential new sites.'

### **32,000 of them already and they wreck people's lives... yet MPs say we should have MORE**

It's six in the evening, and I'm £50 up. Ten minutes earlier, I was £100 down. Red or black?

Will I double my money, or go home empty-handed? Or should I quit while I'm ahead? I put it all on black.

'No more bets, please,' says an announcement. The roulette wheel spins in front of me; the silver ball drops in and clatters from red to black, on to red, then to black . . . Aagh! I've lost.



High Stakes: Michael Crick investigates Fixed Odds Betting Terminals, which some have called the 'crack cocaine' of British gambling

But I'm not in a casino. There's no smartly dressed croupier. In fact, I'm in the back of a betting shop in a run-down estate in Bristol as part of an investigation for Channel 4's Dispatches.

Welcome to the reality of British gambling today. You think there's no casino on your high street? Think again.

Armed with £100, I was playing a Fixed Odds Betting Terminal, or FOBT, placing quick-fire bets on a video game roulette contest.

And these FOBTs are now a prime feature in almost all of Britain's betting shops.

The experienced manager at the Bristol shop told me FOBTs had changed the style and atmosphere of the bookies' business in the past ten years. Betting shops are a lot less pleasant, he says.

Critics call FOBTs the 'crack cocaine' of British gambling.

They're touch-screen terminals offering high-speed, high-stakes betting. Each machine takes an average of £40,000 from Britons each year, and there are now more than 32,000 in the country.

Now I'm not normally a gambler, at least not with money – I've probably placed no more than a dozen cash bets in my life.



Raking it in: Each of the 32,000 electronic gambling machines takes an average of £40,000 from Britons each year (posed by model)

But it was easy that evening in Bristol to get sucked into the escapist excitement.

I soon grasped how playing the FOBTs could quickly become compulsive, obsessive, addictive even. I soon saw how I could lose big money very, very quickly.

Yet a committee of MPs has just recommended that our high streets should be allowed to have more of these mini-casinos. How come?

FOBTs are a pretty recent arrival in the UK. Having seen the adverse effects of gambling machine-filled 'pokeys' in Australia, the Blair government's 2005 Gambling Act imposed a limit of four FOBTs per bookmaker.

But at the same time, Labour made it a lot easier for bookies to open new branches.

Previously, William Hill, Ladbrokes and other were required to stand before magistrates and show that there was demand for a new betting shop.

**'In prosperous areas with low unemployment, there were about five bookies per 100,000 inhabitants. But in poorer places with high unemployment there was an average of 12 for each 100,000'**

But the 2005 Act replaced this with a provision that local licensing bodies should 'aim to permit' new betting establishments.

It means councils are now powerless to prevent bookies opening dozens of branches in the same neighbourhood. Back in May, I began exploring this clustering of betting shops for Dispatches. I visited places such as Deptford High Street in Lewisham, South-East London, where there are ten betting shops in just three-quarters of a mile, and Tottenham's Green Lanes, where the local Labour MP David Lammy recently tried – and failed – to change planning laws to halt the march of the bookies.

In Deptford, I heard how a cluster of betting shops was a magnet for anti-social behaviour. Locals told me how crowds would loiter, swigging from beer cans and occasionally shuffling inside for a bet. Others spoke of open drug-dealing, violence and prostitution, blaming it on the number of betting shops.

There's one thing in common with all the places I visited – few were prosperous. Was it just chance? Dispatches commissioned research to analyse the locations. The results were stark.

In prosperous areas with low unemployment, there were about five bookies per 100,000 inhabitants. But in poorer places with high unemployment there was an average of 12 for each 100,000.

Dr Henrietta Bowden-Jones, who runs an NHS clinic in Soho specialising in gambling addiction, said half the patients she sees cite FOBTs as causing problems.

So it seems all the more astonishing that MPs should recommend the limit of four per betting shop is lifted, allowing even more of them into Britain's poorest communities.

***Britain's High Street Gamble – Dispatches, Channel 4, tomorrow, 8pm.***