APPG on Gambling Reform

Gambling Reform APPG Evidence Session:
Reforming Machine Games Duty to Reflect Gambling Harm

Date: 9th September 2026
Time: 10:30am - 12:00pm
Location: Virtual
Chair: Alex Ballinger MP
Minutes: Ruby Swales, DGA Group

Members Present:

- Alex Ballinger MP (Chair)
- Sir Iain Duncan Smith MP (Co-Chair)
- Lord Foster of Bath (Vice-Chair)

External Guests:

- Theo Bertram, Director of the Social Market Foundation
- Gideon Salutin, Chief Economist, Social Market Foundation
- Jackie Olden, Gambling Reform Campaigner/Lived-Experience

Alex Ballinger MP welcomed members, witnesses and observers. He said the session would consider harms associated with Category B gaming machines and proposals to reform Machine Games Duty (MGD). He linked the discussion to the APPG's previous work on Remote Gaming Duty and the principle that higher-harm products should face higher taxation. He invited the Social Market Foundation (SMF) to present its report, *Addressing the Harm: The Many Arguments for Raising Machine Games Duty on Category B Machines*.

Theo Bertram, Director of the SMF, said the evidence base on gambling harm had strengthened, including evidence on the wider economic effects of gambling expenditure, higher levels of harm in deprived communities and differences in risk between gambling products.

Gideon Salutin, SMF Chief Economist, said the SMF estimated the economic cost of harms associated with machine gaming at around £2.3 billion and the direct fiscal cost at around £669 million. He cited Gambling Commission data showing that 4.5% of gamblers overall played at risky or harmful levels, compared with 16.9% of fruit or slot-machine players and 26.5% of those using machine-based casino games.

The SMF argued that the current tax treatment did not reflect differences in product risk. It recommended increasing MGD on Category B machines to 40%. The SMF estimated that each five-percentage-point increase could raise £51 million to £114 million annually, with a 40% rate generating an additional £275 million to £458 million, depending on behavioural responses.

Jackie Olden drew on lived experience and her work with people affected by gambling harm. She argued that higher taxation could reduce incentives to expand adult gaming centres (AGCs) and concentrations of higher-risk B3 machines. She cited a recent case involving an individual who lost £45,000 over 15 days while playing multiple machines and subsequently attempted to take his own life. She highlighted the associated health, housing, employment and welfare impacts, and said local authorities often lacked the staff, expertise and resources required for inspections and licence reviews.

Members discussed the potential impact of reform on high streets and different types of venue. Gideon Salutin said pubs would not be directly affected as they are not licensed to offer Category B machines. Theo Bertram argued that taxation should continue to reflect product risk rather than venue type, with socially valuable elements of seaside arcades or hospitality supported through other measures, such as business rates.

The discussion also covered bingo halls, including their growing reliance on machine revenue, the presence of large numbers of Category B machines and efforts to attract customers to slots alongside bingo.

Key themes that emerged from the meeting

- The SMF and other contributors argued that taxation should better reflect the relative harm associated with different gambling products, with higher-risk Category B machines facing a higher MGD rate.
- Speakers highlighted the concentration of AGCs and gambling harm in more deprived communities, alongside the wider fiscal and economic costs associated with machine gambling.
- Pubs were identified as outside the proposed Category B increase, while bingo halls and other venues offering Category B machines were considered more directly exposed.
- Local-authority enforcement was repeatedly identified as a weakness, with calls for better resourcing, more inspections, stronger consequences for non-compliance, and improved data on activity within AGCs.
- Self-exclusion arrangements were described as fragmented across land-based gambling. Contributors called for a more integrated national approach and better linkage between land-based and online exclusion schemes.
- Participants also discussed complementary measures, including removal of the Gambling Act's 'aim to permit', business-rate incentives, the definition of bingo halls, machine speed and design, advertising, money-laundering controls, and the role of the Gambling Commission.

Alex Ballinger MP thanked the SMF, Jackie Olden, and other contributors for their evidence. He said the APPG would take forward the issues raised on taxation, enforcement, self-exclusion, local-authority powers, and machine regulation, and would continue engaging with the Government and Treasury ahead of the Budget. He noted that the APPG's next meeting, on 21 October, would focus on gambling advertising.

SESSION CONCLUDES