



To Whom it May Concern

We write in response to the Scottish Government Call for Evidence in relation to "Fixed Odds Betting Terminals" and Betting Premises.

Mega Leisure are the holders of an operating licence from the UK gambling commission and operate a number of arcade premises under the across Scotland including Adult Gaming Centres (AGCs) and Unlicensed Family Entertainment Centre Permit premises. We are a small family business which been in the amusement industry for decades and we employ a number of staff across our premises. Our business offers a mixture of machines and amusements to our customers which include Category B3, C and D machines. We do not offer FOBTs.

The call for evidence arises from a suggestion by the Scottish Government that the Scotland Bill does not go far enough to meet the proposals in the Smith Commission. We note that a series of amendments to the Scotland Bill were lodged on behalf of the Scottish Government at the House of Commons debate on 6 July 2015. We are greatly concerned that the scope of these amendments and the Call to Evidence suggest that Scotland should be given greater powers to limit gaming machine numbers of any type, not just FOBTs, for any premises, not just betting shops, and that this could apply retrospectively.

Amusement machines are the life-blood of our business. The viability of our operation is entirely dependent on the fact that the licences we hold allow us to offer a certain number of machines. AGC and FEC premises have a sole purpose and that is to provide gaming machines for the amusement and enjoyment of our customers. We run our premises responsibly and our internal policies and procedures are vetted and approved by the Gambling Commission. These proposals suggest that Scotland could be given powers which would mean our entitlements could be removed. This would be catastrophic for a small family business like ours.

Why should our licences have conditions attached to reduce machines when we do not offer FOBTs which are the ones causing concern? Our reading of the Smith Commission report is that it did not intend anything other than restricting FOBTs on betting premises.

Our business has been harmed by the Gambling Act which has given preferential treatment to betting premises by making them the only sector which is allowed to use FOBT machines. As a small family business with generations of experience it has been hard to see our loyal customers leave to attend betting premises to play FOBT machines instead of the more traditional machines we have always offered such as fruit machines, slot machines and so on. The playing of amusement machines is a leisure activity enjoyed safely by thousands of people across Scotland. Those customers have moved away from arcade premises like ours to play FOBTs.

It seems to us that many betting shop customers are no longer going to betting shops to place bets in the traditional sense such as on horse racing or football results, but instead to play machines. That blurring of the lines has harmed us immensely. We would like to see a level



playing field where betting shops are only allowed to offer machines which have similar maximum stakes and prizes to those we are allowed to offer. That way customers can have a choice about whether they prefer to enjoy machines in a traditional arcade premises like ours as opposed to a betting shop.

In short, we wish the Committee to note our chief concerns:

- The arcade industry has been adversely affected by losing customers to betting shops to play FOBTs since 2007 when the Gambling act came into force
- Arcade premises should not be included in any move to limit machine numbers as this would be a further blow to our business
- There should be no retrospective application of machine limits
- The focus should be restricted to FOBTs on betting premises only

Yours sincerely,

A handwritten signature in black ink, appearing to read "G. Graham", is written over a faint, larger version of the same signature.

Garry Graham  
Director  
Mega Leisure (Scotland) Ltd