ADULT GAMING CENTRES

Consumer trends and insights report

Produced by Better Change
March 2025

STRATEGIC CONSULTING | TRAINING AND EDUCATION | PRODUCT INNOVATION | DATA-DRIVEN ANALYSIS

Introduction

Adult gaming centres or AGC's have been a staple on the high street for many years providing entertainment for thousands of people, they also provide secure jobs and contribute to the local economy.

In recent years the land-based gambling sector comprising of AGC's, Licenced Betting Shops, Bingo Venues, Family Entertainment Centres and Casinos has seen a huge amount of challenge. The rise of online gambling as well as the effect of the covid pandemic, coupled with rising costs as a result of a financial crisis, has led to the closure of 4,000 venues since 2019 and an annual reduction of Gross Gambling Yield (GGY) of £1billion from land-based operators.

AGCs have been one of the few land-based businesses that have led the recovery post pandemic and they are seeing an increase in popularity. However this rebound may be short-lived, as the industry is facing restrictive regulation around stakes and prizes coupled with increasing business costs, all of which will affect long-term growth. Furthermore, there are increasingly active, aggressive and poorly informed anti-gambling lobbying groups, whose proliferation of false information continues to threaten the future of the sector.

This report will look at why AGC's are becoming more popular, what controls they have in place to keep customers safe, how national statistics on gambling and gambling harm reflect on AGCs specifically and provide the customer perspective that is so often missing from the gambling debate.

Better Change

Better Change are a gambling industry consultancy with a focus on preventing gambling harm through promoting Positive Play.

Founded in 2021 from alumni of Harvard Business school, Better Change bring together operational expertise from the gambling industry, Lived experience of gambling and gambling harm as well as the prevention and treatment of harm, product knowledge, senior leadership experience, compliance and educational skills.

Through four key areas we help the industry and its stakeholders to make informed and positive strategic decisions that will enhance the consumer experience and promote a safer Positive Play environment. These are:

- Strategic Consulting
- Training and Education
- Product Innovation
- Data Driven Analysis

Whilst Better Change are independent of the influence of any regulatory bodies, trade associations, public health bodies, lobbying groups or gambling businesses, we are proud to support the sector in making positive change, building an environment where people can build great careers.

Literary review

Gambling is a popular pastime in the UK and one that has been around for centuries. The way we consume gambling however has evolved over recent years at pace, with a range of different products available from traditional sports betting to the latest slot games, as well as different ways we can access gambling such as online, through a mobile app or in a licenced venue.

For this reason it is important to look at the data relevant to the specific product and the method of gambling in question before making any decisions based around regulation, player safety or consumer experience.

To do this we have a number of surveys, research papers and statistics at our disposal. This has led to a great deal of debate from stakeholders across the gambling landscape on the methodology used as well as accusations of bias and the misuse of data.

For the purpose of this report we have accessed the Public Health England report of 2018 into Gambling Harm along with the UK Gambling Commissions Gambling Survey of Great Britain (GSGB) Year 1 survey (2024), GambleAware treatment statistics (2018-2024) and relevant commentary from figures in the industry.

In addition we have conducted a survey of AGC customers, the results of which are published in this report.

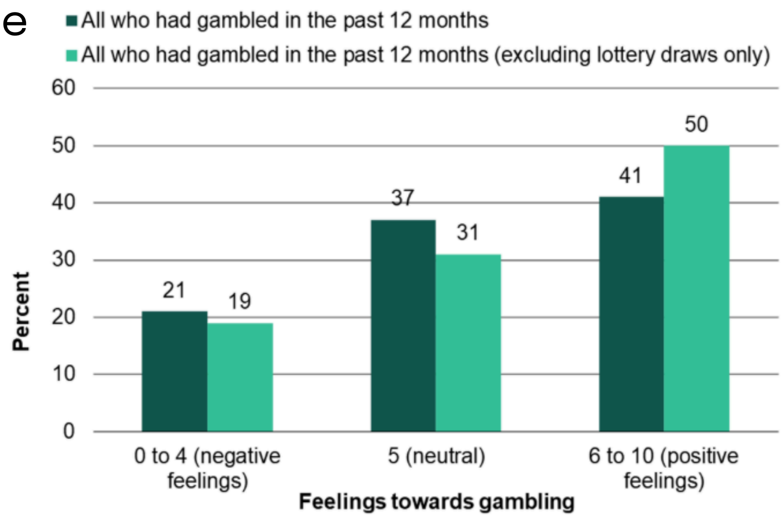
Gambling in the UK.

According to year one of the Gambling Survey for Great Britain 48% of the adult population took part in some form of gambling activity in the past 12 months. It is important to recognise that the National Lottery introduced in 1994 is by far the most popular gambling activity in the UK and if you exclude those who only play the National Lottery the figure for gambling participation drops to 27%.

This is important to note as the National Lottery is licensed in a different way to other forms of gambling and is widely available in supermarkets and other retail outlets as well as online and is not available in licenced gambling premises.

What it does not demonstrate is that gambling related harm is only present in the remaining 27% of the population. Harm statistics are taken from the population as a whole and include National Lottery products.

When we look at those who gamble UK's attitude to gambling it is positive overall with 41% scoring between 6-10 (10 being the most positive feeling, 0 being the most negative feeling). 21% scoring 0-4 and 37% scoring 5 which is neutral, neither positive or negative feelings towards gambling. When lottery players are removed from the survey, positive feelings towards gambling increase to 50%.



Despite gambling participation specifically on fruits and slots games being a small part of the UK's overall gambling participation, with 6% of men and 3% of women partaking in fruits and slots games online and offline,* there has been significant growth in the AGC market. Since 2019 there has been a reduction in licenced gambling premises in the UK from 12,000 to 8,000 however these are predominantly betting shops whose numbers have fallen from 9,000 to 5,911 over the same period. Despite the number of AGC's not increasing there has been a reported 59.7% increase in revenue, the only land-based sector in gambling to show growth during this period.* This was acknowledged by UK Gambling Commission CEO Andrew Rhodes in his speech to the World Regulatory Briefing at ICE Barcelona 2025,

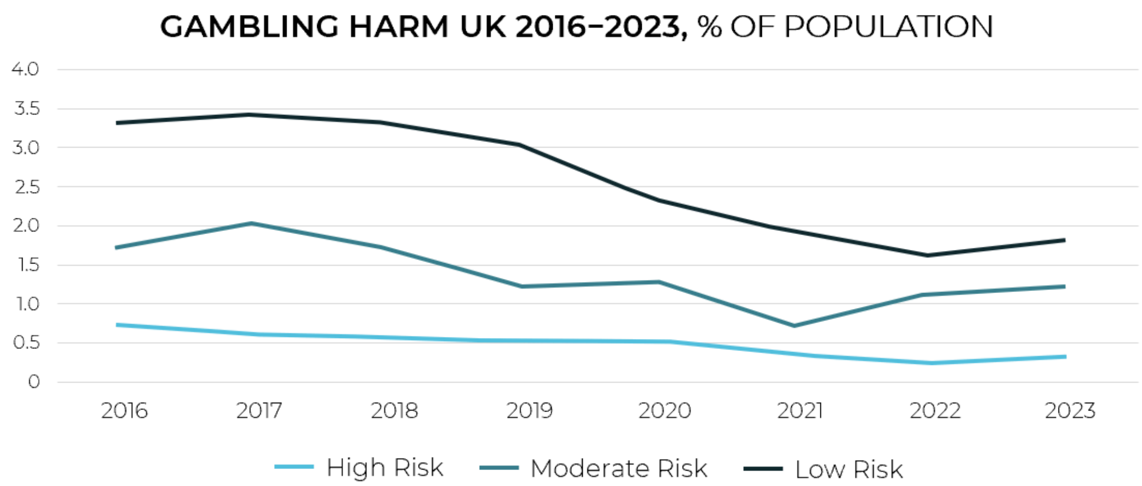
"This points to a thriving sector where operators are maximising machine performance and adapting to evolving player preferences."
"This growth trend underlines the continued importance of retail gaming."

Andrew Rhodes, CEO UK Gambling Commission.

Part of the reason for the upturn in trade is due to the review of category B2 machines which were part of the offer of Fixed Odds Betting Terminals (FOBTs) in Betting shops. Unavailable in AGC's, players could stake up to £100 per play for a jackpot of £500. The £100 stake was reduced to £2 bringing them inline with the £2 limit and £500 jackpot of B3 machines which are available in AGC's. Combined with category C machines (£1 stake limit, £100 Jackpot) AGCs had a more comprehensive machine offer than Betting shops who can only have 4 B3 machines whereas AGC's can have a far greater number as long as the number of B3 machines does not exceed 20% of the total stock.

Gambling Harm

One of the key objectives of the UK Gambling Commission is to protect the young and vulnerable from harm and this is something that all licenced gambling operators put considerable resource and effort into. There has been much debate around the prevalence of gambling harm in the UK. In 2018 Public Health England (PHE) produced a report that stated that “problem gambling” which is identified as anyone scoring 8 or more on the Problem Gambling Severity Index (PGSI) affected 0.6% of the population. This roughly equates to around 400,000 people. The Gambling Commission issued regular postal surveys asking the public a shortened version of the PGSI, between 2016 and 2023 this was in line with the PHE findings and saw a gentle downward trend from 0.7% down to 0.4% in those 8 years. Moderate risk (3-7 PGSI) and low risk (1-2 PGSI) also showed downward trends in that time at 1.2% and 1.8% respectively.



In 2024 the Gambling Commission introduced the Gambling Survey of Great Britain which introduced a new methodology for measuring the prevalence of gambling in the UK.

The GSGB in its year 1 report showed that of all participants who completed the survey 2.5% had a PGSI score of 8+, 3.7% had a PGSI of 3-7 and 8.3% had a PGSI of 1 or 2. When you only look at the participants who have gambled in the past 12 months these statistics are higher and when you exclude those who play only lottery draw products the results rise again. This initially suggested that gambling harm was higher or at least more prevalent than previously thought.

This has been challenged by some in the gambling industry and whilst the Gambling Commission defend their methodology, they have been very clear on pointing out that this data should not be used in comparison with previous surveys. “Due to differences in the way data for the GSGB is collected in comparison to prior gambling or health surveys, the GSGB is not directly comparable with results from previous surveys and direct comparisons should not be used.”* Therefore the differences between the PHE report, the previous surveys and this GSGB report do not indicate a sudden rise in gambling harm.

To support us in looking at the trends of gambling harm we can look at GambleAware’s annual treatment statistics report. This shows us who has accessed the gambling support services available in the UK as well as providing behavioural insights.

Tools and support services to help prevent and treat gambling harm have grown exponentially in the past 7/8 years. At the most severe end of gambling harm new residential facilities have been opened for men, women and for those with complex co-morbidities and multiple addictions. This has widened the scope of who can be treated.

Voluntary contributions towards the research, education and treatment of harm from gambling operators increased five fold in this period helping to create initiatives and awareness campaigns to signpost people to support and reduce the stigma often associated by gambling harm. In addition to this a regional support network was set up by GambleAware and the NHS opened several clinics across the country. Therefore it would be understandable to see an increase in people accessing services given the increase in provision however GambleAware's treatment statistics for 2023/2024 show a significant decrease in those accessing tier 3 and tier 4 services with referrals down 24% since 2019.

When we look at where people who access treatment gamble, the report shows that 400 people or 6.6% of people who access treatment use AGCs. When we look at those who use AGCs as their primary source of gambling the number drops to 222 which is 3.6%. This compares with 62.2% online and 22% in bookmakers.

Despite the low numbers of people who play in AGCs requiring support for their gambling it is imperative that the sector continues to improve its use of safer gambling tools through limits and controls on machines as well as by interacting regularly with their clients. In addition to this venues are required to have in place a self-exclusion scheme to allow people to voluntarily ban themselves from the premises. In recent years this process has improved significantly moving from a paper based record of exclusions and interactions to a fully digital offering including a multi operator exclusion scheme where people can exclude from multiple premesis and different brands from one venue.

*Taken from the UKGC website, guidance on the use of the GSGB

Case Studies

The debate around gambling is often quite negative and tends to be dominated by anti gambling campaigners but what actually takes place inside an AGC? For the purpose of this report Better Change visited two busy AGC's in North London to see for ourselves how staff look after their customers and ensure that their premises are compliant with licence regulations.

My initial thought before I entered the first business was that compared to Betting Shops, Bingo Halls and Casinos, where the customers often need to interact with staff to be able to play, the staff's role in an AGC would be quite simple. This myth was quickly dispelled however as I observed that the staff were continually busy, tending to various customers needs, making refreshments, offering promotions, cashing tickets and looking out for any potential customers under 25 whose age would need to be verified as well as any opportunities to interact with customers to promote safer gambling.

Customers tend to be quite private about their gambling but they also appreciate the promotional offers, complementary drinks and snacks, as well as the personal touch. It is a fine balance but one that I saw the staff achieve with great skill and discretion.

The staff knew all of their customers by name, anyone who was new to the venue was made to feel welcome and it gave you an assurance that if a delicate conversation around somebody's gambling was needed then the staff had already built a good relationship with the customer which makes the process much easier.

Much of the compliance operation such as ID checks, interactions and self exclusions are performed using a tablet that is kept in the venue. This provides a secure log of these key processes and staff can also see pictures of people who have excluded from their venue as well as other venues in the vicinity. Compared to the paper-based self exclusion schemes that are in place in other land-based gambling operations this is a more effective and reliable method.

The next venue I visited was a large AGC that was enjoying a busy Friday afternoon. I was greeted by cluster manager Saleem who gave me a tour of the venue and introduced me to some of their regular customers. Their players clearly enjoyed the products and asked a number of questions around how the games worked, what their favourite games were and what they thought about stakes and prize limits. New content was popular with this group of customers which explains why AGC's continue to invest in the latest hardware and content. Most favoured the B3 category of machine with the £500 jackpot as well as the slots games some enjoyed the roulette style games but thought that the reduction of stakes from the FOBT review had actually made the game more volatile and that they should consider increasing stakes as £2 felt like it was now too low.

Almost unanimously the customers said they preferred playing in a land based environment where they can socialise and interact with the staff. They felt this was a safer way for them to play than online and they recognise the ease in which they can switch sites online or be tempted to access additional funds through online banking or borrow money without having to leave the house.

Throughout the visit and when surveying customers they were all very complementary about the standard of service they receive from the staff and it was something that Saleem was very proud of.

“Its not just gambling, its social” Saleem commented “building a rapport with customers, learning about their life experiences its all part of the service and how to build a great atmosphere in the venue.” When asked about interactions Saleem commented its an 80/20 split with the lions share of conversations being about positive things. “Even the difficult conversations that make up the 20% tend to have a positive outcome, we are helping people enjoy our products safely.”

Saleem and his team know how to go over and above too, Fridays is pizza night and there is a budget for the staff to provide additional treats for their customers. There is a real feel for community spirit too, recognising that many of their customers come from the Turkish community inspired the team to arrange a fundraising Turkish breakfast morning which raised over £2,000 for the Turkish earthquake relief fund. At Christmas time Hampers, wolley hats and gloves were given out as gifts not based on spend but to help people in what for some, might be a difficult and lonely time.

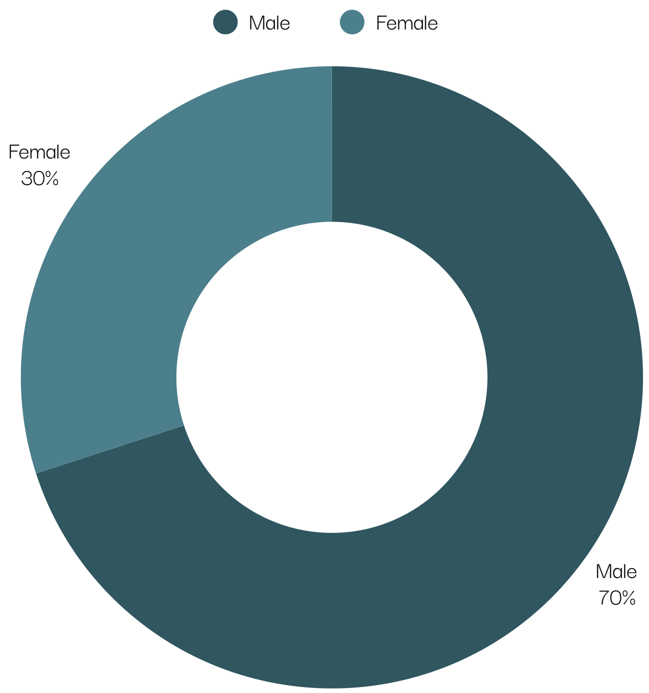
Indeed, the community aspect is something that was really important to the team and for some of their regulars coming into the venue may be their only social interaction that day. Saleem mentioned that, “People who have lived on this high street for 25 years but have never spoken to each other have come together because of the venue.”

The care for their customers was admirable but it was also noticeable that the conduct of the customers was exemplary too, in an environment where you might be forgiven for thinking that the atmosphere could be adversarial between player and machine or staff it was nothing of the sort. The AGC’s I visited where nice places to be, clean, safe and with a great atmosphere that the staff teams had clearly worked hard on.

Survey

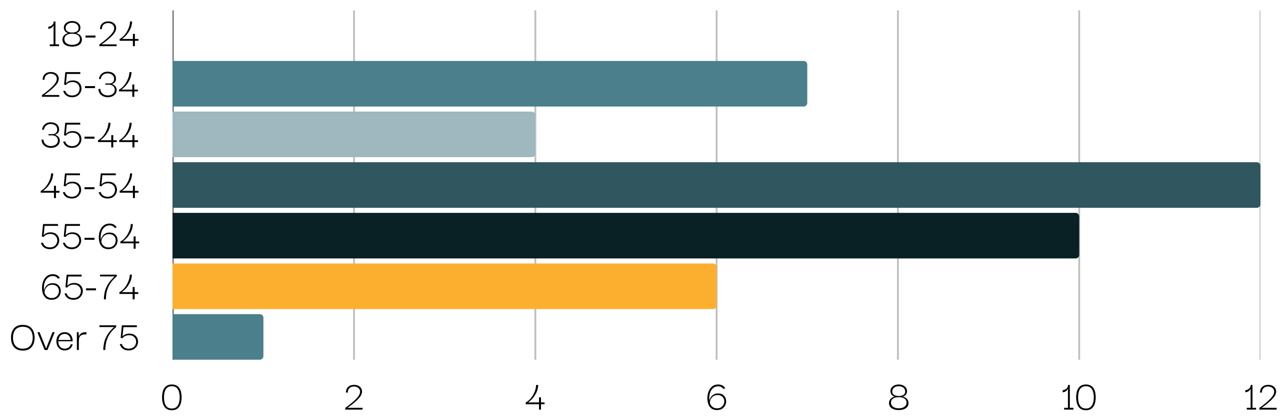
A survey of 40 people in two AGC's in North London was conducted to provide insight into consumer trends. Whilst the data is not directly compatible with that of the GSGB it does provide evidence of the different trends and challenges faced in AGC's as opposed to other forms of gambling.

Question 1: What is your Gender

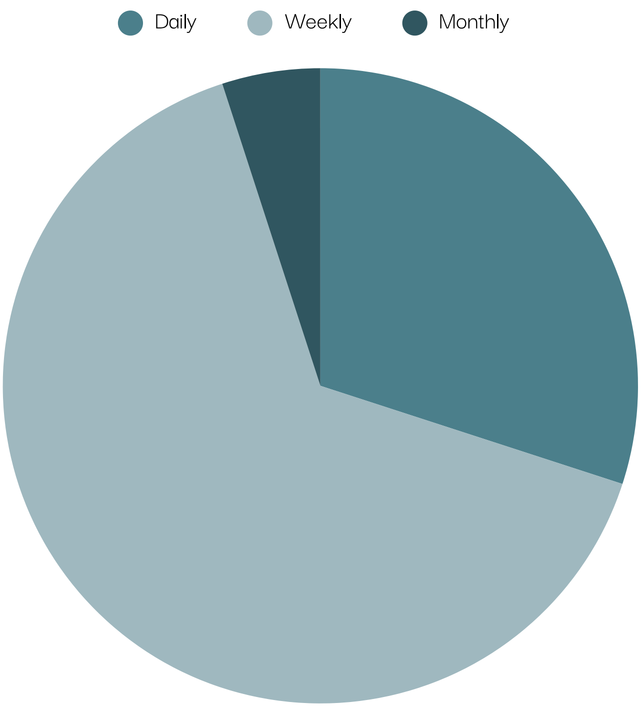


There was a good balance of gender and age groups with AGC's seemingly being favoured by older customers with the average age of customers being over 50.

Question 2: What age group are you?

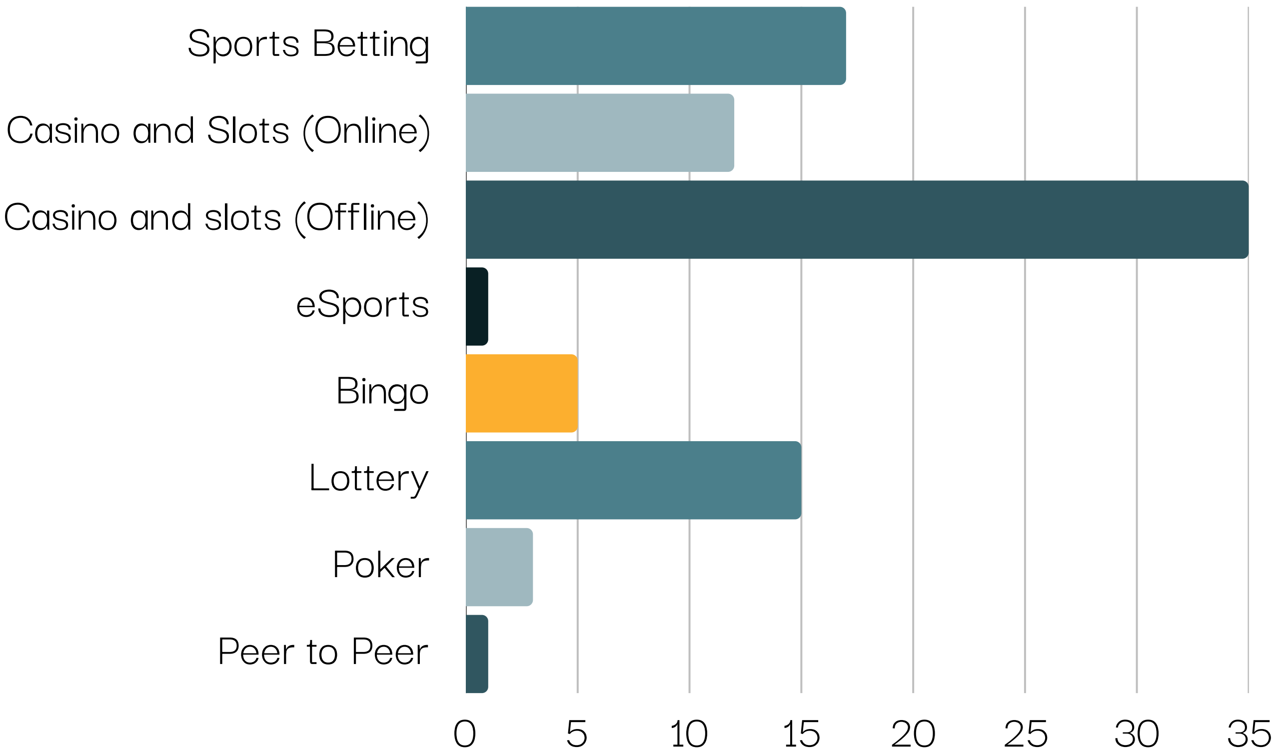


Question 3: How often do you participate in gambling related activity?

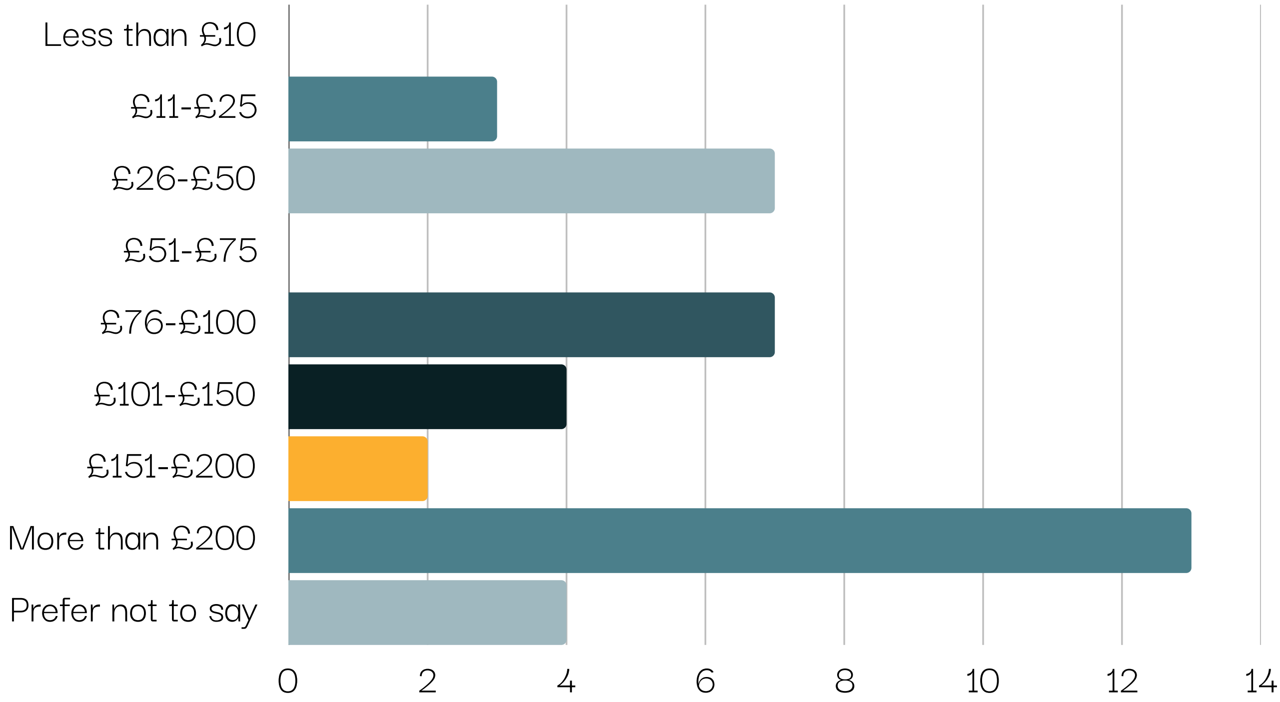


Most of the customers were regular players with weekly and daily players making up 95% of those surveyed. Playing slots offline was predictably the favourite activity however sports betting and lottery products were both more popular with customers than playing slots online.

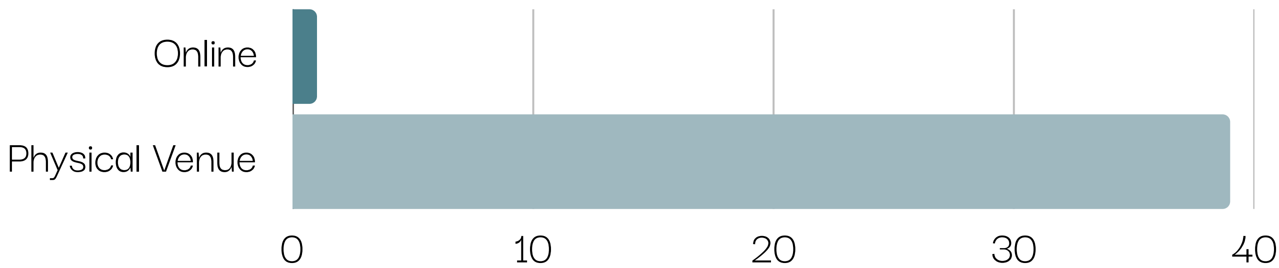
Question 4: What other products do you enjoy gambling on?



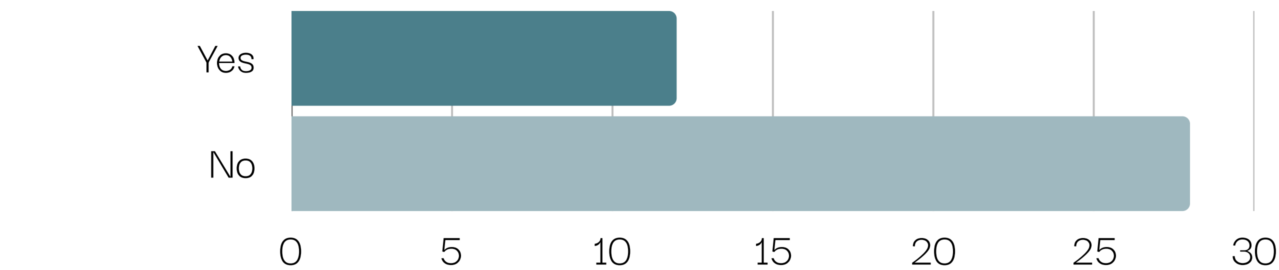
Question 5: On average, how much do you spend each month on gambling?



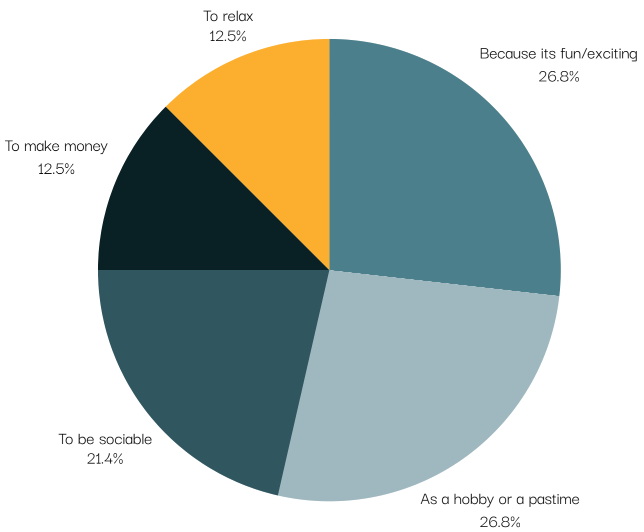
Question 6: Do you prefer playing online or in a physical venue such as a Betting Shop, AGC or Casino?



Question 7: If offline gambling was unavailable, would you gamble online?



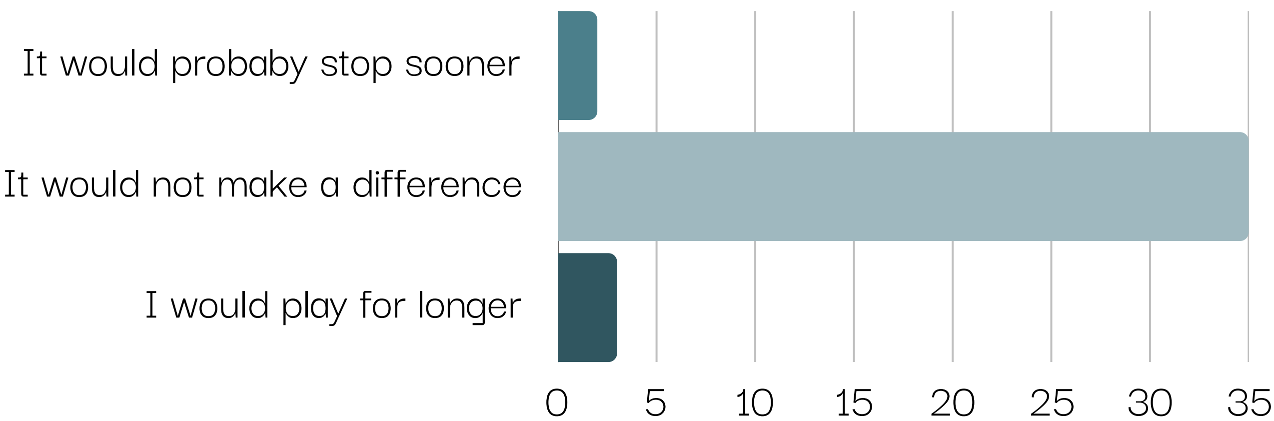
Question 8: What is your primary reason to gamble?



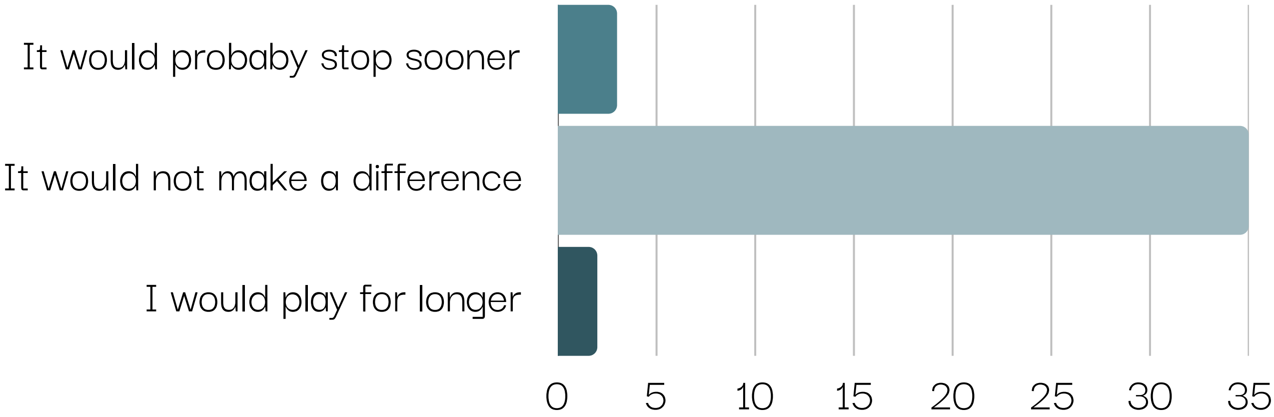
Most players gamble as a hobby/pastime or because it was fun. Making money from gambling was among the least popular answer and most of the people surveyed cited the venue staff as another reason they visit.

Question 9: Please state any other reason for visiting a venue, gambling related or other?

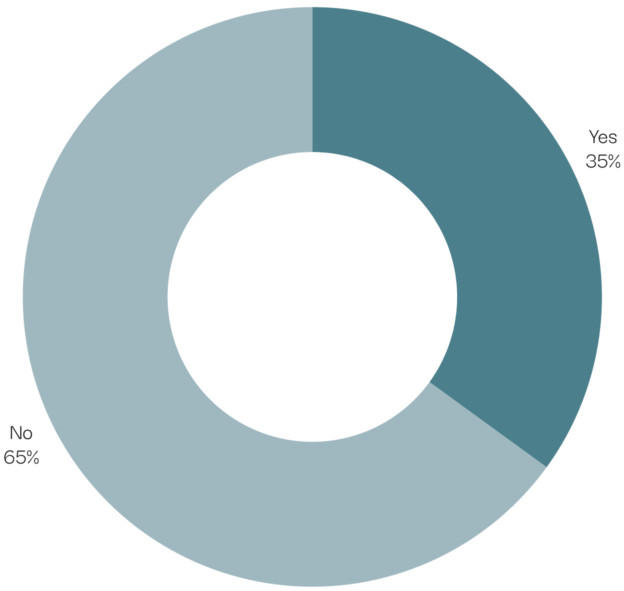
Question 10: Thinking about machine play, how would being able to see your session spend influence how your session ended?



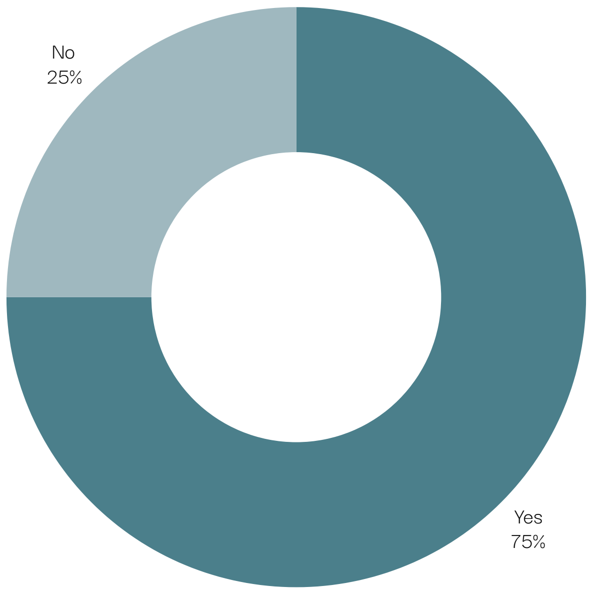
Question 11: Thinking about your machine play, how would receiving a 30 second enforced time-out influence when your session ended?



Question 12: Do you use safer gambling tools, such as setting a limit or restricting access to cash?

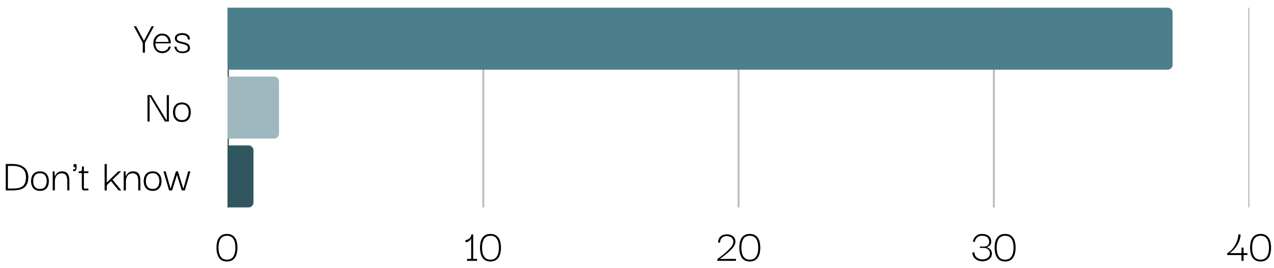


Question 13: Would you know where to find advice and support if you were concerned about your gambling?

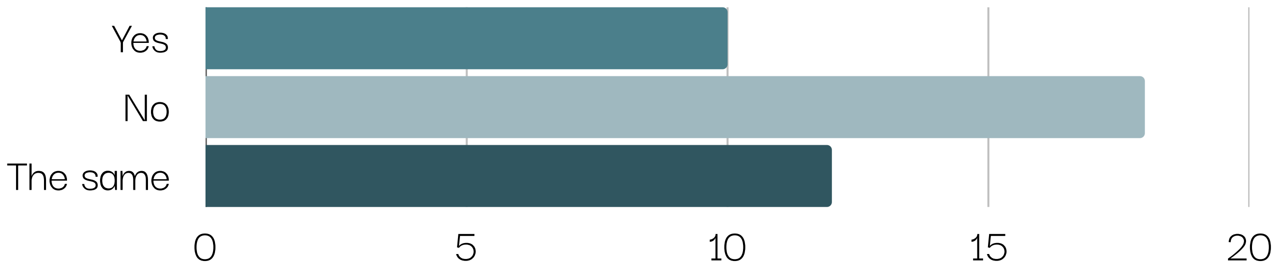


Customers felt that seeing their profit/loss or having enforced time outs would not affect their play. 35% of players use safer gambling tools whilst 75% know how to access support should they be concerned about their play.

Question 14: Are you happy with staff interactions based on behaviour, session time or spend?



Question 15: If the jackpot on £100 machines was increased to £150 would you be more likely to play those instead of £500 jackpot machines?



Customers where generally happy with staff interactions that where related to their level of spend, session time or behaviour. 10 players said they would be more likely to play category C machines if the jackpot was increased to £150 but the majority said it would make no difference or that they would continue to play £500 Category B3 machines.

Conclusion

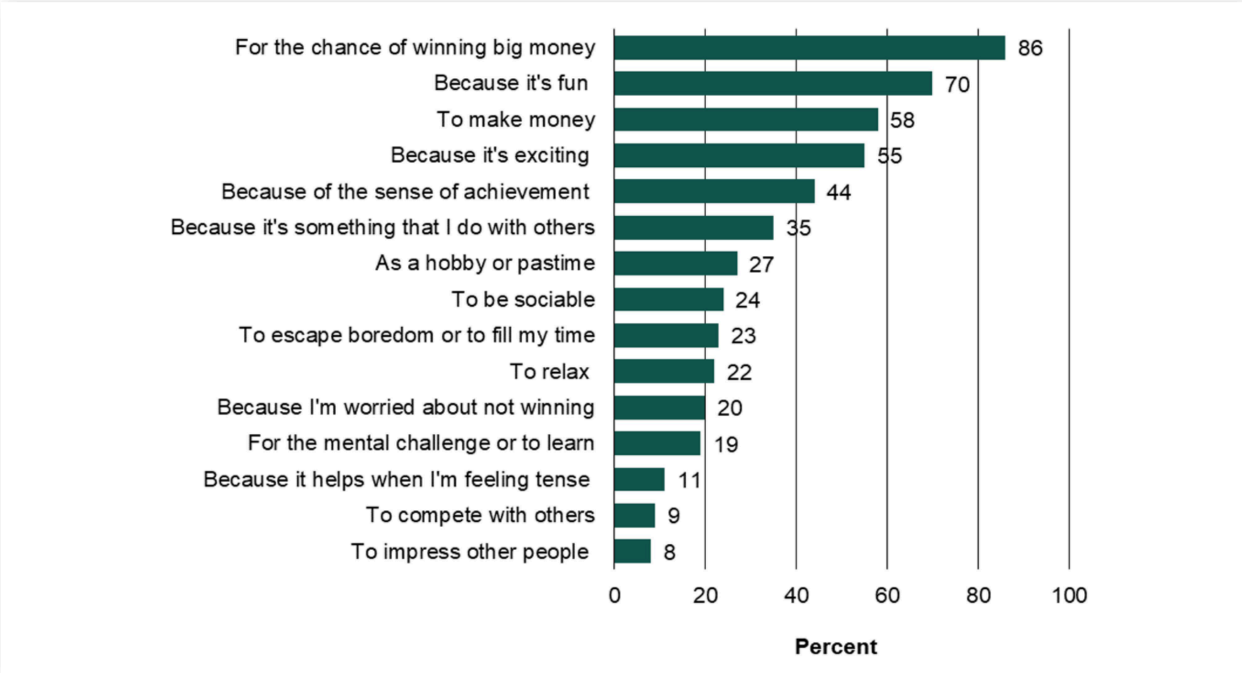
Gambling on slot machines is popular

There is no denying the fact that slot games are very popular and people genuinely play them for amusement. Peoples favourite games are now widely available in Betting Shops, AGC's, Bingo Venues, Family Entertainment Centres and Pubs as well as Online. The restriction of B2 stakes on the high street has levelled the playing field and it is now a very competitive business. AGC's are one of the few businesses on the high street that have recovered well since the pandemic providing jobs as well as entertainment and social interaction for their customers.

Social interaction is important for customers

AGC's provide a valuable service for their customers providing a social space where they can meet. 98% of those who were surveyed preferred to play in a physical venue as opposed to online with one in five stating that the social aspect was their main motivation to gamble. Making money as a motivation to gamble was lower amongst AGC players (12.5%) than other forms of gambling as demonstrated in the Gambling Survey of Great Britain (58%)

Figure 11: Reasons for gambling in the past 12 months



AGCs provide a great customer service

Staff and the quality of customer service featured prominently in the survey and when speaking to customers in venues. It is something that AGC's work very hard on and they go the extra mile to provide a benefit to their community.

AGC's are a safer place to consume slots than betting shops or online

According to GambleAware's treatment statistics there are less people that seek support from AGC's than other forms of gambling such as Betting shops and online gambling.

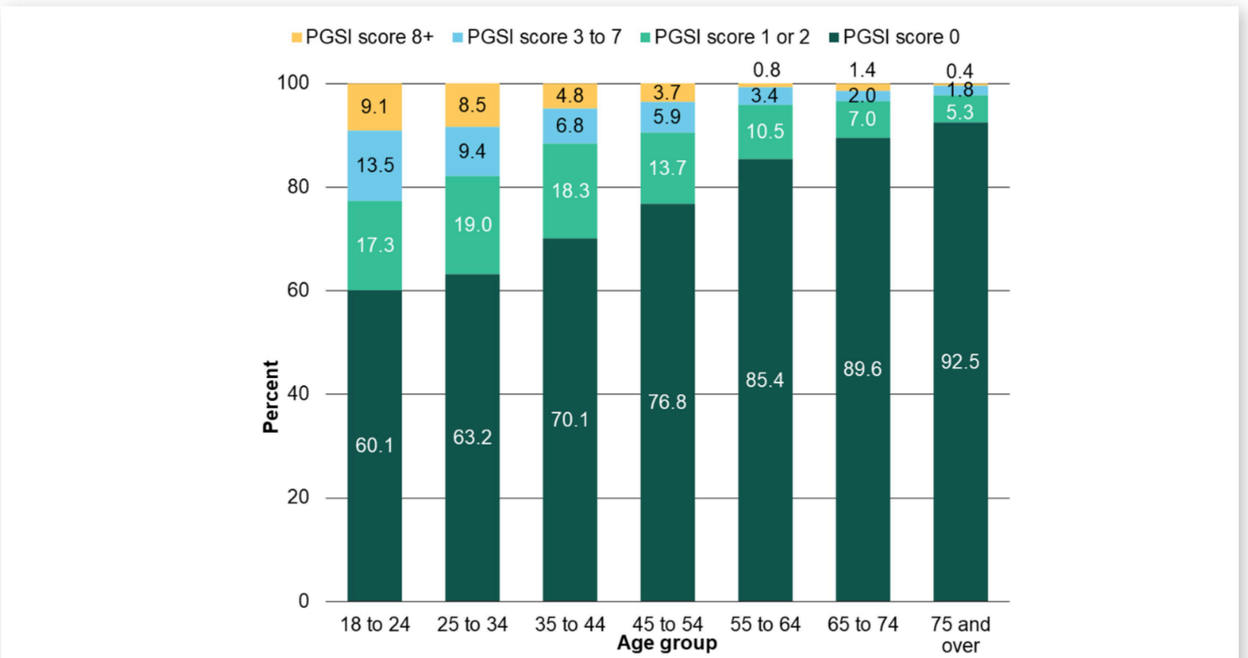
Table 15: Location of gambling activity reported in 2023/24

	All gambling locations reported*	%	Main gambling location	%
Online	4235	69.6%	3790	62.2%
Bookmakers	2117	34.8%	1338	22.0%
Casino	658	10.8%	243	4.0%
Adult Entertainment Centre	400	6.6%	222	3.6%
Miscellaneous	383	6.3%	150	2.5%
Pub	267	4.4%	112	1.8%
Bingo Hall	153	2.5%	51	0.8%
Other	143	2.3%	100	1.6%
Live Events	130	2.1%	27	0.4%
Family Entertainment Centre	108	1.8%	39	0.6%
Private Members Club	24	0.4%	12	0.2%
Total responding	6084		6084	
Missing	141		141	
Total people who gamble	6225		6225	

*Totals add up to more than 100% as clients can report multiple gambling locations

It is also worth noting that in the PGSI scores collected in the Gambling Survey of Great Britain, scores reduced as the age of those surveys increased. Given that AGC's attract a higher age group they predominantly have a lower risk group of customers.

Figure 16: PGSI distribution of score categories for those who gambled in the past 12 months, by age group



The AGC industry needs support to maintain growth

Although the AGC sector is currently experiencing growth, macro-economic pressures mean this is fragile, and the number of AGC licenses has remained below pre-pandemic levels. The land-based industry is at something of a cliff-edge as its fixed-costs businesses face rising inflation pressures and increased energy bills, all of which continue to negatively affect growth and profit levels. Recent government legislation around business rates and the National Insurance hikes will also have a significant financial impact on the land-based entertainment sector, including on AGCs, further squeezing already tight profit margins and increasing the cost of hiring. Critically, unlike other retail businesses, gambling companies cannot simply pass on their rising costs to their customers, as stakes and prizes are fixed and cannot be altered under current outdated laws.

For the land-based gambling sector to continue to exist and grow, regular reviews of stakes and prizes are essential, as the current ones have been in place for over a decade and are therefore obsolete particularly when compared to inflation rates and the rise in business costs during this period. The Gambling Act review has set a cap on online stakes of £5 which is still significantly higher than the £2 currently permitted in high street venues such as AGCs.

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