

Tote sale halts gambling crackdown

The Government is likely to abandon a clampdown on problem gambling in a desperate attempt to find bidders for its Tote betting business.

A study for the Government into highstakes gambling machines is being put on the back burner to avoid frightening off potential bidders. 'We have to make the review disappear, at least for a while, if we want a quick and profitable sale,' said a source.

'The Government will give whatever comfort is needed to make sure bidders are convinced there is no regulatory or tax action looming, whether in assurances or ministerial statements.'

Fixed odds betting terminals (FOBTs) account for GBP 1.4bn of the Tote's GBP 2.5bn annual revenue. But these machines, which play roulette, casino games and virtual horseracing, have been criticised for being addictive. Culture Secretary Gerry Sutcliffe said in February that FOBTs were still under scrutiny and referred them to the Gambling Commission.

The commission told Financial Mail it would advise the Government on options that could include an outright ban, limiting numbers (currently a maximum of four per shop) or reducing stake money.

Last week, investment bank Goldman Sachs was appointed to sell the Tote after last year's GBP 320m bid from the racing industry was rejected by the Government. Giants Ladbrokes and William Hill are considering ways to join the auction.

The Culture Department denied that any plans to curb gambling had been shelved.