UK to rule on bingo hall slot machines

London (Reuters) — Britain will make an announcement on Wednesday about slot machines in bingo clubs, a government source said on Monday, in a move expected to give the sector a lift by relaxing limits on the number of slot machines.

An industry source said the government would announce plans to raise from four the maximum number of 500-pound (USD 980) jackpot slot machines allowed in bingo clubs and was expected to choose from one of three options put to it by operators. The bingo industry's preferred option is to allow the number of money-spinning machines to be linked to the size of the bingo hall, with a limit of around 14-15 machines, the source said.

A second option being weighed by the government would be to allow 20 percent of all machines in a bingo club to be 500 pound jackpot machines. The final option would allow up to a maximum of 15 top-prize machines.

"It makes sense that the number of machines in a hall is related to the number of players," the industry source told Reuters.

"If there was a simply a set number of machines everyone could have it would be open to abuse. People would say that they were opening a bingo club but really it would just be a slots hall."

The government declined to comment on what the government would do.

New gambling laws last year hit the industry hard by forcing the removal of thousands of the highly profitable 500 pound jackpot machines from bingo halls and came just as a ban on smoking in clubs was sparking a sharp decline in attendances.

The potent mix was made worse as the financial turmoil and jumps in energy, petrol and food prices started to sap consumer confidence.

The effect was severe. Struggling bingo clubs across Britain continue to closed while the share price of Mecca bingo owner Rank slumped 60 percent partly as a result of the woes.

The government had hoped to announce the plans before Easter but was forced to put them on hold when the British Amusement Catering Trade Association (BACTA) cried foul over the fact amusement arcades would not benefit from the rule changes.

They were further delayed when the plans also hit snags with the UK treasury.

"We've had our hopes raised by the government many times, I just hope this time they deliver the goods," Bingo Association Chief Executive Paul Tallboys told Reuters.