

THE LAW RELATING TO LOTTERY

Most legislation relating to any form of gaming is designed to prevent crime and disorder, protect children and other vulnerable and ensure that it is

- ✦ Fair and equitable
- ✦ Transparent

You should apply these same principles to any competition.

What is a Lottery?

A lottery can be “simple” or “complex”. To qualify as a lottery an event must

- ✦ Have a distribution of prizes AND
- ✦ Be wholly by chance AND
- ✦ Provide chances which are “bought” by a payment to enter

A complex lottery involves one or more processes of selecting the winner, when one of the processes relies wholly by chance

“Payment to enter” is any handing over of any money or equivalent or money’s worth or paying for services and/or goods at a higher rate because you have a chance to enter into the draw. If there is a payment to enter, without any choice of free entry, this may not be a prize draw.

The prize need not actually be described as such and can be money, articles, services etc.

Operating a lottery

Operating a lottery may require a licence which in turn would have mandatory conditions (such as prize amount limits, use of the proceeds etc). Exemptions include “non-commercial” events (which have no “private gain” but you can deduct a prescribed sum for costs incurred and for the costs of the prizes and no “rollover”), work lotteries, residents lotteries, small lotteries, customer lotteries, and private society lotteries provided they meet the conditions attached to that type of exempt lottery.

Information about the Lottery should contain:

- ✦ Full name & address of the promoter
- ✦ Details of any entry restrictions, including as to class of entry (e.g. private lottery) etc
- ✦ Details of prizes, including whether there are or could be any substitutions
- ✦ Draw date (if international, specify the time zone e.g. GMT, EST etc)
- ✦ Details of when and how the winner will be chosen, including judge’s criteria
- ✦ Details of when and how the winners will be notified
- ✦ Details of when and how the winners will receive their prize and whether they need to participate in post-prize publicity

Tickets must contain:

- ✦ Full name & address of the promoter and identify the society involved

- ✦ Draw date, or if for a series of draws all dates
- ✦ Show the price paid – all tickets must be the same price and must be paid before a ticket is given

Example of an exempt lottery

A CUSTOMER LOTTERY - You need to meet the following criteria

- ✦ Promoter must be someone who or an organisation which occupies business premises
- ✦ Tickets can only be sold/supplied to a person whilst he is on the business premises and a customer
- ✦ There can be no profits made
- ✦ It can't be advertised anywhere other than on those business premises (no sending flyers etc)
- ✦ There must be an actual ticket
- ✦ Tickets must be non-transferable – tickets must confirm this
- ✦ Maximum prize value of £50
- ✦ Tickets must show promoter details, price of ticket, who ticket is available to and state that it is non-transferable
- ✦ Ticket price must all be the same and paid to the promoter before the customer gets a ticket
- ✦ No-rollover
- ✦ Draws must not take place within 7 days of any previous such draw