

## GAMBLING MITIGATION GUIDANCE

### Introduction

Occasionally, organisations raise the ethical issue of gambling and participation in lotteries. In such cases, we offer guidance to demonstrate the low risk of gambling-related harm in relation to lotteries.

### What is a lottery?

A lottery is where a person pays for a chance to enter and win a prize, and the process for deciding the prize winner is entirely chance-based.

A raffle is also a type of lottery, but may have some practical differences, for example:

- raffles normally offer non-cash prizes instead of, or in addition to, cash prizes; and
- numbers are usually repeatedly drawn until a winner is selected.

This means that lotteries and raffles are treated the same way under the Gambling Act 2005. A licence is usually required to operate a lottery, which brings regulations and requirements in the way that operators are allowed to run their lottery.

### Why run a lottery?

Lotteries provide a valuable additional revenue stream for charities, societies and good causes, whilst incentivising supporters with the chance to win a prize.

Many national charities operate lotteries as an important pillar of their fundraising activities. Local authorities also run lotteries to raise funds for good causes in their local areas.

Community organisations that benefit from lotteries commonly include those with a religious connection, such as church schools.

Lotteries have become a key part of the fundraising ecosystem, and are being utilised by an increasing number of charities, societies and good causes each year.

### How are lotteries regulated?

The Gambling Act 2005 is the main piece of legislation in Great Britain relating to the regulation of gambling. The Gambling Commission was established under the Act to regulate the gambling industry, including lotteries.

Lotteries with proceeds exceeding either £20,000 for a single draw, or aggregate proceeds exceeding £250,000 in any one year, require a society lottery licence from the Gambling Commission.<sup>1</sup> Lotteries which have proceeds below these thresholds do not require a licence from the Gambling Commission, but must be registered with their local authority.

The Gambling Commission publishes the Licence Conditions and Codes of Practice (**LCCP**). The LCCP sets out the rules which apply to lottery operators licensed by the Gambling Commission. One key aspect of the LCCP is to protect children and other vulnerable persons from being harmed or exploited by gambling, in line with the licensing objectives of the Gambling Act 2005.

### What protections are in place for minors?

The current legal age to buy a society lottery ticket is 16, however in line with UK government policy, Gatherwell has voluntarily increased the minimum age to 18 for all lotteries that it manages.<sup>2</sup>

All Gatherwell managed lottery websites require players to register before they are able to play the lottery. Players must enter their date of birth as part of the registration

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<https://www.gamblingcommission.gov.uk/licensees-and-businesses/page/society-lotteries>

<sup>2</sup> [Policy paper 'High stakes: gambling reform for the digital age'](#), UK Government (Published 27 April 2023)

process. If a player wins a jackpot prize, the winner must provide proof of age documentation to Gatherwell in order to verify that the winner complies with the minimum age requirement.

All marketing in relation to lotteries must also be conducted in a way that minimises the risk of under 18s attempting to purchase lottery tickets. For example, by including 18+ messaging on the lottery website and all lottery-related promotional material.

### **Is there a risk of gambling related harm?**

Lotteries are considered to be **low risk** of gambling-related harm, especially when compared to other gambling products.

In 2019, the Gambling Commission commissioned 2CV to carry out national research to understand why people gamble, the choices they make and how gambling fits into their lives.<sup>3</sup> The research indicated that individuals who play lotteries typically fall into a typology which are the lowest risk from a problem gambling perspective.

Gatherwell does not offer any 'instant win' products. Funds must be received for a ticket purchase before the ticket is entered into a draw. This reduces the risk of repeated impulse purchases. Gatherwell also has safeguards in place to ensure that ticket purchases are not excessive. Our policy is to contact players with a recurring high-ticket yield to ensure that they are fully aware of their purchase and number of lottery entries.

We always conduct lottery related marketing in a responsible manner, with regular reminders to 'play responsibly' and signposts to support organisations such as BeGambleAware.

### **What if a player becomes a problem gambler?**

Gatherwell has a self-exclusion process in place which allows a player with a gambling problem to self-exclude from playing a

lottery for a chosen period of 6 months to 5 years. Players who self-exclude will not be allowed to purchase lottery tickets and will not receive any direct marketing material during their chosen self-exclusion period. Self-excluded players must take a positive step to opt back in to the lottery after their self-exclusion period ends.

If a player is identified as a problem gambler, we will refer them to BeGambleAware. BeGambleAware provides support to individuals who feel that they have a gambling problem and can also refer problem gamblers to other support organisations.

### **Further questions**

Gatherwell is committed to being an ethical and responsible External Lottery Manager and is trusted to run lotteries for over 100 local authorities, 2,300 schools, and more than 10,000 charities and good causes raising £millions every year.

If you have any further questions about lotteries as a fundraising tool, please do not hesitate to contact us.

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<sup>3</sup> [Understanding why people gamble and typologies, Gambling Commission \(Published 16 February 2022\)](#)