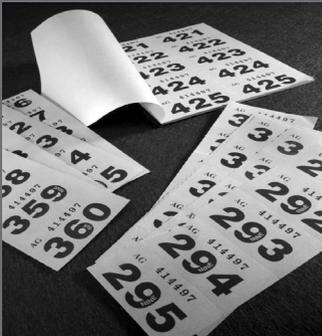


Running a lottery including raffles, tombolas, sweepstakes and more



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People have a variety of reasons for wanting to run a lottery. They may want to collect money for a good cause such as a charity or help their local sports club buy some equipment or simply to have some fun by running an office sweepstake.

Whatever the reason – fundraising or just fun – lotteries are a form of gambling and so there is a need for safeguards and other regulations.

These regulations are all set out in the Gambling Act 2005 and are the responsibility of the Gambling Commission, which has issued this leaflet.

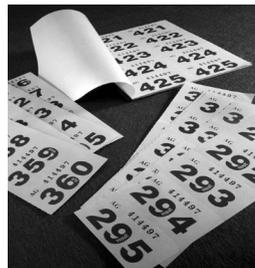
We will try to answer some initial questions and help you to decide which type of lottery to go for.

This leaflet does not apply to any National Lottery products. The National Lottery is regulated by the Gambling Commission under a separate Act.

What exactly is a lottery?

A lottery is a kind of gambling which has three essential ingredients:

- You have to pay to enter the game
- There is always at least one prize
- Prizes are awarded purely on chance



A typical small-scale lottery is a raffle where players buy a ticket with a number on it. The tickets are randomly drawn and those holding the same numbered ticket win a prize.

Another version is a sweepstake, for example, where the participants pay to randomly draw the names of a horse in a race. The person who draws the winning horse wins the entry money.

There are other versions too, such as a tombola - often found at a funday or summer fete; or a 100 club which is often a weekly event organised, for members only, by a PTA.

As well as the three elements of a lottery outlined above, they all (with the exception of incidental lotteries) have something else in common: while there is no maximum price for a ticket, in each lottery all tickets must cost the same. That way, everyone has the same chance of winning for the same outlay. Incidental lotteries are the exception to this rule and do not have specific ticket requirements.

Types of lottery under the Gambling Act 2005

For legal reasons, the Gambling Act has created eight categories of lottery, each of which has its own dos and don'ts. Here is a short description of them, together with a table on the back page to answer some initial queries.

These types of lottery require permission, find out more about them in *Promoting society and local authority lotteries* a publication on the Commission website.

Small society lotteries The society in question must be set up for non-commercial purposes eg sports, cultural or charitable. There is a top limit of £20,000 in ticket sales.

Large society lotteries Similar to the small society lottery, but there is a minimum of £20,000 in ticket sales.

Local authority lotteries Run by the local authority, to help with any expenditure it normally incurs. They must hold a Gambling Commission licence.

These types of lottery do not require permission, find out more about them in *Organising small lotteries* a publication on our website.



Private society lotteries Must raise money for the purposes for which the society is conducted or to raise funds to support a charity or good cause. No rollovers.

Work lotteries/Residents' lotteries Only for colleagues who work at the same single set of premises/people who live on the same single set of premises. No rollovers. Must either:

- Make no profit (ie all the proceeds are used for reasonable expenses and prizes)
- Or be to raise funds for a charity or good cause.

Customer lotteries These can only be run by a business, at its own premises and for its own customers. No prize can be more than £50 in value. This type of lottery cannot make a profit, and so is unsuitable for fundraising. No rollovers.

Incidental lotteries These can be held at commercial events (such as exhibitions) or non-commercial events (such as school fetes) and must be for charitable or other good causes. They cannot be run for private or commercial gain.

All tickets must be sold at the location/time of the event but the draw can be at the event or after it has finished. Promoters of the lottery may deduct from the proceeds of the lottery no more than £100 for expenses and no more than £500 spent on prizes (other prizes may be donated). No rollovers.

The following refers to the table on the back page

System A	System B	System C	System D
Tickets must show the name of the society or local authority, the ticket price, the name and address of the organiser and the date of the draw.	Tickets must show the name and address of the organiser, the ticket price, any restrictions as to who may or may not buy a ticket, and state that the rights created by the ticket are non-transferable.	A ticket must be provided but there are no specific requirements for tickets. The price payable for each ticket must be the same and the rights created by the ticket are non-transferable.	A ticket must be provided but there are no specific requirements for tickets.

Type of Lottery	Fund raising?	Who can play?	Who can run one?	Limits on time	Limits on place	Can I claim my costs?	Rollover permitted?	Ticket system (See over)
Types of lottery that require permission								
Small Society	Yes, at least 20% of proceeds	16 & over	Society members or nominated fundraisers	None	Check with licensing authority	Yes, for prizes and expenses: Up to 80% of sales	Yes	A
Large Society	Yes, at least 20% of proceeds	16 & over	Society members or nominated fundraisers	None	Not in public street	Yes, for prizes and expenses: Up to 80% of sales	Yes	A
Local Authority	Yes, at least 20% of proceeds	16 & over	Authority nominees	None	Not in public street	Yes, for prizes and expenses: Up to 80% of sales	Yes	A
Types of lottery that do not require permission								
Customer	No profit can be made	Your customers 16 & over	Occupier of business premises	7 days between.	No sales or ads off premises	Yes, for prizes and reasonable lottery running costs	No	B
Private Society	Yes	Members or guests on the society premises	Society members	One-off	No sales or ads off premises. Members or guests must be on society premises	Yes, for prizes and reasonable lottery running costs	No	C
Work	Yes	Employees at a single premises only	Any employees	One-off	No ads off premises Single premises only	Yes, for prizes and reasonable lottery running costs	No	C
Residents'	Yes	Residents at a single premises only	Any residents	One-off	No ads off premises Single premises only	Yes, for prizes and reasonable lottery running costs	No	C
Incidental	Yes	Anyone at the event	Anyone	One-off	Sales only at event Results can be drawn during or after event	£100 max taken from proceed for expenses £500 max for prizes	No	D