



Incidental lotteries

Guidance for promoters and event organisers

The Gambling Act 2005, which regulates most gambling activities in the UK, requires that lotteries must be carried on either under and in accordance with a Lottery Operating Licence issued by the Gambling Commission, or in full compliance with the requirements of one of four categories of 'exempt lotteries' – small society lotteries, customer lotteries, private lotteries, or incidental lotteries. This document outlines the requirements of the last of these exemptions.

Lotteries include any competition where participants pay for a chance to win a prize, in which prize winners are determined either through a process of chance (e.g. drawing a winning ticket from a hat), or through a series of processes, the first of which relies exclusively on chance. Many different types of competition with these characteristics could potentially be classed as lotteries, including raffles, tombola's, lucky dips and sweepstakes. Promoters must ensure that their scheme complies with any legislative requirements before commencing.

The requirements

- Incidental lotteries can only be carried on as an ancillary attraction at a non-commercial (i.e. charitable) or commercial event. The lottery cannot be the main focus of the event (there must be at least one larger attraction).
- No licence or registration is required to operate incidental lotteries.
- Incidental lotteries can be promoted for any purpose other than providing a private gain or individual benefit – generally, they will be used to raise funds for charitable, sporting or cultural activities.
- Tickets (or chances to win) can only be sold during the event, on the event site. It is not permitted to sell tickets in advance of the event, or to sell tickets outside of the event.
- The promoters of the lottery may deduct a maximum of £500 from the proceeds to purchase prizes for the lottery, and up to £100 to cover other costs of running the lottery (e.g. ticket printing, etc). No deductions may be made for other purposes (e.g. to pay the costs of the overall event), and all remaining proceeds after deductions must be applied to the purpose(s) for which the lottery was run.
- There can be no 'rollovers' – all prizes must be given out when the results are drawn.

Offences

Promoting or facilitating a lottery that does not comply with these requirements (or those of another exemption) is a criminal offence. It is also an offence to misuse the profits of a lottery. Both offences carry a maximum penalty, upon summary conviction, of a fine of up to £5,000, imprisonment for up to 51 weeks, or a combination of both.