

Consultation questions and next steps

Having read through the consultation document, the first comment that we'd like to make is that it appears to have been written without any previous discussion without some of the essential authorities having input into it. There is no reference to the expert trade bodies, such as the Lotteries Council or the Hospice Lotteries Association. These organisations represent the operators of society lotteries and their input would have been valuable before a document such as this was drafted. The operators hold the requirement to comply with the regulation imposed by the Gambling Act and the Charities Act and will be essential in introducing an appropriate platform for this type of payment interface.

Also, although the Gambling Commission is referenced often, it doesn't appear that they have been consulted with to any great extent in the formulation of this document. We would have expected detailed knowledge gained from substantial discussion to inform the basis of this document. The HLA are happy to facilitate this kind of meeting should you wish.

We cannot reiterate to you more that this service provision is more involved than amendment to existing process and delivery models that you may already be undertaking, and that relevant operator and regulatory bodies need to be included in the drafting of this service.

Questions

Here is the full list of consultation questions:

Q1: Does this definition of society lottery services suitably align with the gambling legislation and assist in identifying relevant phone-paid services that may be subject to specific PSA regulations?

The commentary refers to commercial lotteries. There are no legal commercial lotteries in Great Britain. Lotteries are reserved solely for the betterment of good causes. The definition of the services provided by the PSA is fine as an internal definition.

Q2: Do you agree with this approach to guidance development in relation to society lottery services?

Q3: Are there any other pieces of PSA guidance that you consider will require consideration that does not appear in the list above?

The whole of this section appears designed to fit society lottery services into your existing service provision as much as possible. Whilst we have no particular problem with this, we point out that

- Competitions are unregulated by the Gambling Commission – provided that they do not breach the definition contained in the Gambling Act. Reliance on this vehicle as a starting point for delivering society lottery services is fraught with danger as the rules surrounding lotteries are extremely tight, especially in comparison to an unregulated product.
- Whilst the recognition of remote gambling is acknowledged, the operators of remote lotteries have a very large suite of remote technical standards to conform with. Whilst it is assumed that you understand those requirements, the document continually refers to other services and codes of practice that do not demonstrate a complete understanding the requirements of remote gambling. Having said that the onus to comply lies with the operator not a provider of third party services. It will be for operators to negotiate the provision of these services within their own compliance regime.

**Q4: To what extent do you agree with the PSA risk assessment as set out above in section 2?
Please give evidence in support of your submissions?**

- Financial harm – Fully agree with the assessment
- Passing off – ELM's are not lottery operators. Whilst they are regulated by the Gambling Commission, they do not have the right to absolve the society which operates the lottery of their compliance requirements. It is correct to say that some are branded into one lottery faceplate, behind that faceplate are the societies for whom the ELM is contracted. It is a legal requirement that the relationship is demonstrated and that the promoting society is revealed.
- Uninformed consent – One of the biggest issues for HLA members. The law makes it mandatory for the consumer to receive a ticket or a document (either saveable or printable) which details the players involvement. Also provision of the Terms and conditions of lottery entry or guidance of where to find them is required.
- Unauthorised consent – again a very important area to our members. Though entry can be confined to the bill payer – and therefore payment of prizes – the PSA would need to provide a solution to the possible entry of a bill payer to a lottery without their knowledge and/or consent.
- Vulnerable groups – the Gambling Act allows for third party verification of age to be adopted by operators as a basis for rejection of entry, so this is an essential filter. If, as seems probable, the Gambling Commission proceeds with its database of problem gamblers, will the PSA be able to provide the facility to cancel at source?

Q5: To what extent do these provisions, SOL1 and SOL2, mitigate any risks associated with under-age use of gambling services and address concerns associated with vulnerable groups?

Both are acceptable.

Q6: Do you agree with our assessment that ticketing requirements and wider gambling regulations are sufficient for users, including any vulnerable groups, tracking their usage?

This is appropriate

Q7: Does the list in SOL3 contain the right types of information needed to give consumers adequate information associated with society lottery services? Please provide an explanation regarding any additional or amended requirements where you have suggested changes.

This list is complete as far as we can see.

Q8: To what extent do SOL4 and SOL5 offer clarity at the point of purchase and achieve a requisite level of consent to charge in relation to society lottery services?

The HLA is concerned to know whether the PSA have liaised with the Gambling Commission on the cost of the PRS payment and its impact on the ticket price. As you may be aware the cost of tickets may not be varied. Using your competitions service as a reference - in the past the GComm have assessed that payment of a PRS constitutes a payment to enter. If the PRS were to introduce a fee above the ticket price, which we assume it must, will the GComm consider that the ticket price for purchasers by SMS are higher than those entering without, therefore rendering them in breach?

The jargon used in the SOL5 section makes it barely readable, however having reviewed some of the terminology online, I believe the understanding to be acceptable

Q9: To what extent do SOL6 and SOL7 give consumers awareness of their use of phone-paid services and an ability to track spending over time?

Q10: Do you agree that compliance with SOL7 reduces the need for a separate provision relating to subscription spend reminders? Please provide evidence in support of your submissions.

Most players of subscription style society lotteries are provided with the essential information including a unique play number as part of the joining. Payments are then taken from the bank by Standing Order, Direct Debit or recurring credit card. Provision of the phone bill detailing lottery payment should be sufficient. The gambling commission recognised that the expenditure needed for weekly single ticket provision was over-burdensome. Granted some of the other lottery models do not operate in this way and this suggestion may be appropriate for

those.

Q11: Do you agree that spend caps are not required for society lottery services based on the information provided under SOL6 and SOL7 and that the notice issued under paragraph 3.12.6 should be amended accordingly?

Most lotteries have a cap on the number of subscriptions that a player can hold, and the number of single tickets that can be entered into a single lottery draw. The system will need to be tailored to prevent these from being exceeded. The problem here of course, is that all operators are different and meet their compliance requirement of the law, and any marketing issues, in their own way. The process will need to allow for individual operator instruction. This will impact the £4.40 maximum per week

Q12: Does the list in SOL8 contain the right types of information to support the regulation of society lottery services and equip the PSA to handle any complaints and enquiries that may arise?

By and large these should enable the PSA to direct any concerns to the relevant society for resolution.