



Mr T Armstrong  
Phone-paid Services Authority  
25<sup>th</sup> Floor  
40 Bank Street  
LONDON  
E14 5NR

16<sup>th</sup> April 2018

Dear Terry

Below is our response to the consultation on 'Society lottery services and adoption of special conditions'. We have included a section at the beginning on who we are and our position within the society lottery industry to enable you to better understand the reasoning behind our responses.

Sterling Management Centre Limited

We provide fundraising lottery services to charities and other organisations throughout the UK and have been in business for over 35 years.

Sterling is licensed by the Gambling Commission as a Remote and Non-Remote External Lottery Manager and we are members of the Lotteries Council and the Institute of Fundraising.

We provide a range of fundraising products and services, including bespoke administration packages, to assist good causes of all sizes. Our core business is administering low frequency weekly and monthly subscription lotteries as well as raffles. The lotteries are typically £1 per entry with a guaranteed prize fund. Entry is primarily by direct debit or standing order and are operated by and for the charities themselves.

In 2017, our team of 46 staff enabled more than 450 organisations to raise a total of over £50 million for their respective causes

Our responses to your questions are presented below:

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?

- Yes we agree that it does align with the gambling legislation definition.

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

- Again, yes we do agree with this approach.

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

- No not that we are aware of.



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?

- We agree that the PSA on the whole is taking a measured risk approach to the proposal but understand that the Gambling Commission may have to step in with additional limited restrictions if the monitoring of the market reveals issues.

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?

- SOL1 – Yes we agree with the wording of this statement.
- SOL2 – Yes we agree with this in principal. But foresee issues with the practicality of actioning the process.

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?

- Yes we would agree

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.

- We believe SOL3 does on the whole contain the right areas of information.

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?

- SOL4 – we feel this does offer sufficient levels of clarity
- SOL5 – we feel this is a high level of consent for essentially low transaction amounts.

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?

- SOL6 – again we feel this is a high level of requirement above other forms of established lottery payments. Including a direct debit for instance where there is no requirement to issue a notice to the player every time a subscription payment is taken.
- SOL7 – if our understanding of the proposal is correct having to issue a ticket for every draw seems an excessive administrative burden beyond what would be considered acceptable.





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.

- Yes it does but we still see SOL7 to be excessive. With established automated subscription payments such as direct debit, standing orders, recurring card payments etc on low frequency lotteries there is no need to go to these lengths. The player is generally committing to £1 or £2 a week in support of a good cause with the bonus of being in with a chance of winning a price of typically up to £1,000.

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?

- Yes we do agree.

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?

- We agree that this does contain the right types of information to support the regulation.

I hope our answers are clear but if you require further input please do not hesitate to contact ourselves.

Kind regards

Yours sincerely

Karl Wild  
Business & Compliance Manager