

Dear Sir or Madam,

I send this email on behalf of The Lotteries Council Chair, Jo Bucci.

Please see below a response to the consultation on the society lottery services and adoption of special conditions.

In general terms, the Lotteries Council welcomes the ability of society lotteries to be paid for by phone. This may help increase the amount of funding to good causes arising from the operation of society lotteries. The Lotteries Council's views on the twelve specific questions asked are set out below. In general terms, where matters are already specifically regulated by another regulator (such as the Gambling Commission), we would suggest rather than trying to duplicate such requirements the PSA leave those to be regulated by the other body and instead only regulates the aspects unique to the Premium Rate Service being used. Otherwise, difficulties can arise if slightly different terminology is used, or if the requirements of the lead regulator are amended in any way.

Q1 – Given the definitions are tied back to those in the Gambling Act 2005, this seems appropriate.

Q2: In general, the proposed approach is welcomed. As recognised in the consultation, society lotteries are already well regulated and much of that regulation directly impacts upon payment processes. It is important that the PSA recognises where existing regulation and regulatory oversight is sufficient, and avoids creating rules that contradict existing laws or where combined with existing laws creates an unnecessary burden on the industry.

Q3. No

Q4: The risk assessment appears to consider society lotteries as a generic gambling product and the risks documented are those of gambling generally. It should be recognised that relative to the wider gambling industry society lotteries are low risk in relation to problem gambling, risk to vulnerable groups and susceptibility to financial crime. For example, the "Money laundering and terrorist financing risk within the British gambling industry" published by the Gambling Commission in November 2017 rated the overall risk of lotteries as "Low", and recognised within that rating the risk rating for society lotteries was lower than for the National Lottery. As noted by the Gambling Commission in paragraph 5.23 of its consultation document "Proposed amendments to the social provisions in the license conditions and codes of practice for all operators (the LCCP)" dated August 2014, "The society lottery sector has traditionally been founded on low frequency subscription notice and occasional monthly or annual lotteries, which are widely considered to be of very low risk in terms of problem gambling."

Q5: We agree that if a consumer is found to be under 16, they must be refunded and blocked from using the service.

Q6: We consider that compliance with the Gambling Commission's requirements will be sufficient for users.

Q7: We do not consider that SOL3 is necessary. The proposed list covers areas already covered by regulations in place from the Gambling Commission and the Advertising Standards Agency. The requirements for promotional material from the PSA should focus only on those aspects unique to PRS, which would appear to be only the second point in SOL 3, and this point is covered sufficiently clearly in SOL 4.

Q8: In terms of SOL5, it would be useful to clarify that, in the case of a subscription society lottery, the consent to charge requirements apply at the initial charge, rather than needing separate auditable consent for each recurring payment.

Q9 With regard to SOL7, the Gambling Commission already has requirements in relation to the information which needs to appear on tickets in a society lottery, as set out at footnote 9 of your consultation. It would seem unnecessary for the PSA to require these as well. The PSA's requirements should focus only on those aspects unique to PRS, such as having instructions on the use of the STOP command.

Q10 As per our response to Q9, we consider it unnecessary to duplicate requirements for tickets already imposed by the Gambling Commission.

Q11. We agree that spend caps are not required for society lottery services.

Q12. We agree with the list in SOL8.

Kind Regards,

Kirsty Henderson  
Administrator of The Lotteries Council

**The Lotteries Council**