

## Society Lottery Services

### Notice of Special Conditions

This Notice is being issued to inform all providers involved, or intending to be involved, in the provision of Society Lottery Services that Special conditions apply. Level 2 providers are required to comply with [the Phone-paid Services Authority's Code of Practice](#), and the Special conditions set out below, which are imposed under paragraph 3.11.1 of the Code.

Under paragraph 3.11.3 of the Code, *"a breach of any special condition in respect of a high risk service imposed under paragraph 3.11.1 shall be a breach of the Code"*.

A lottery is a kind of gambling that has three essential elements:

- payment is required to participate
- one or more prizes are awarded
- those prizes are awarded by chance.

Society lottery services are defined as follows:

**A premium rate service ('PRS') that enables consumers to participate in a "lottery" operated by, or for the benefit of, a "non-commercial society". Such lotteries and societies meet the respective definitions set out in the Gambling Act 2005.**

A society is non-commercial if it is established and conducted:

- for charitable purposes
- for the purpose of enabling participation in, or of supporting, sport, athletics or a cultural activity
- for any other non-commercial purpose other than that of private gain.

Given the nature of phone-paid services, society lottery services governed by this notice will be remote gambling services as defined in Section 4 of the Gambling Act 2005<sup>1</sup>.

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<sup>1</sup> Section 4 of the [Gambling Act 2005](#): **Remote gambling**

(1) *In this Act "remote gambling" means gambling in which persons participate by the use of remote communication.*

(2) *In this Act "remote communication" means communication using-*

*(a) the internet,*

*(b) telephone,*

*(c) television,*

*(d) radio, or*

*(e) any other kind of electronic or other technology for facilitating communication.*

Information about Gambling Commission and society lotteries can be found [here](#).

<sup>1</sup> Information about the Department for Communities, Northern Ireland can be found [here](#).

## Special conditions

*Imposed under Annex 2, Paragraph 1.1(g): the denying of access by users under the age of 18 years old to a high risk service or by all users where the relevant handset is not verified as being owned by someone aged 18 years old or over<sup>2</sup>:*

**SOL1** Persons under the age of 16 years are not permitted to use the service.

*Imposed under Annex 2, Paragraph 1.1(e): specified action required in order to and as a consequence of verifying or a failure to verify the age of callers:*

**SOL2** If a consumer is found to be under 16, they must be refunded and blocked from using the service.

*Imposed under Annex 2, Paragraph 1.1(k): information that is required to be given to callers in promotional material or at various stages before and during provision of a high risk service (including as to receipts):*

**SOL3** The promotional material for the service must include the following information:

- (a) an adequate description of how the service works and clear instructions on how to use it
- (b) payment options, where relevant, should clearly indicate that PRS payment places charges on the user's phone account (mobile or otherwise)
- (c) any significant terms and conditions, including details of the society who will benefit from the running of the lottery
- (d) clear identification of the provider of the society lottery service separate from the society that will benefit from the running of the lottery
- (e) prominent warnings about restrictions on use, such as access restrictions based on regional regulations imposed on gambling services<sup>3</sup>, and prevention of underage use
- (f) the prize or amount of money that consumers stand to win or an adequate explanation of how prize winnings will be calculated
- (g) a clear explanation of how winnings will be paid or winners take ownership of prizes
- (h) information about responsible gambling or links to sources of such information
- (i) Instructions on how to stop the service where entrants pay recurring charges.

The information required under SOL3(d), (f), (g) and (h) above may be provided within a URL link containing full terms and conditions. Such link must be provided in the promotional material for the service.

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<sup>2</sup> Special conditions are made under the broad conditions set out in Annex 2. Paragraph 1.1(g) of Annex 2 enables relevant conditions to be imposed that apply in respect of any age limit up to 18. As relevant age restriction measures associated with society lottery services do not apply to 16- and 17-year olds under relevant gambling legislation SOL 1 and SOL 2 only set conditions that apply in respect of those aged under 16.

<sup>3</sup> Society lotteries licenced by the Gambling Commission must only be promoted within Great Britain. Separate regulations apply to services operating in Northern Ireland, the Channel Islands and the Isle of Man.

*Imposed under Annex 2, Paragraph 1.1(k) information that is required to be given to callers in promotional material or at various stages before and during provision of a high risk service (including as to receipts):*

### **Promotional material**

- SOL4** PRS providers must ensure it is made unambiguously clear to the consumer what the service is and who is providing it. This may include providing the consumer with the name of the service as registered with the PSA.
- SOL5** Payment options, where relevant, should clearly indicate that selecting payment through the phone account will place charges on the user's phone account (mobile or otherwise).

*Imposed under Annex 2, paragraph (n) requirements for caller agreement before a high-risk service proceeds before the caller is charged and paragraph 1.1(b) requirements as to the mechanisms and processes used to deliver services to, and to enable exit from services by, consumers:*

### **Point of purchase**

- SOL6** The point of purchase must be separated from service promotion and interaction, in a clear and effective way, to allow the consumer to consider their purchase. PRS providers must ensure it is made unambiguously clear to the consumer as to when they are viewing promotional material and when they have entered a purchasing environment.
- SOL7** At the point of purchase, PRS providers must ensure that:
- (a) the point of purchase is clearly signposted by it being made distinctive from other aspects of the service (such as by design and colour scheme) and take all reasonable steps to ensure that distinction is made clear, avoiding any confusion between service promotion and the point of purchase
  - (b) the consumer explicitly acknowledges that the purchase implies an obligation to pay
  - (c) the consumer is made aware, in a clear and prominent manner and directly before the consumer commits to a purchase, of the cost of the service, and the frequency of charges
  - (d) it is clear that the PRS charge(s) will be added to the consumer's phone account.

### **Consent to charge**

- SOL8** Prior to delivering the PRS charge, including the initial charge of a subscription service, providers are required to ensure that the consumer provides 'double opt-in' consent to charge. To fulfil this requirement, the provider must ensure that the consumer provides two positive, recorded and auditable responses, following clear presentation of the costs and name of the premium rate service to the consumer.

PRS providers must ensure that the first consumer consent to be charged is established via one of the following means of consumer interaction:

- (a) use of a password-controlled account, the password being selected and controlled by the consumer<sup>4</sup>. The account information areas must not auto-populate or self-generate and must require the consumer to enter at least two details such as:
  - i. their verified email address; and/or
  - ii. a username that they have selected and control; and/or
  - iii. their name.
- (b) use of a secure PIN loop system, which must be initiated and confirmed by the Level 1 provider<sup>5</sup> through interaction with the consumer. The secure PIN must:
  - i. comprise no less than four truly random integers
  - ii. be entered by the consumer and must not auto-populate or self-generate
  - iii. expire if after three attempts the consumer has not entered the PIN correctly
  - iv. expire within fifteen minutes of the PIN being received to the consumer's handset.
- (c) use of a secure on-screen PIN which must be initiated and controlled by the Level 1 provider or Network operator. The secure on-screen PIN must:
  - i. not be displayed in a form that is easily readable by a client machine, (for example it should be presented as an image rather than in HTML text)
  - i. comprise no less than four truly random integers
  - ii. be entered by the consumer (and must not auto populate or self-generate)

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<sup>4</sup> For clarity, SOL8(a) will be fulfilled where;

- there is use of a password-controlled app store account that the consumer has created
- an existing third party verified account, via an eID authentication protocol (such as Facebook Connect), is used within a purchasing environment. The webpage enabling use of the verified account must be hosted by the Level 1 provider or Network operator.

<sup>5</sup> This function may be undertaken by an independent third party on behalf of the Level 1 provider. Where a Network operator contracts directly with a Level 2 provider (i.e. there is no Level 1 provider involved in the provision of the service), the function may be undertaken by the Network operator.

- iii. expire if after three attempts the consumer has not entered the PIN correctly
  - iv. expire within fifteen minutes of the PIN being displayed to the consumer.
- (d) use of a secure, consumer controlled, mobile originating short message service (MO SMS) system for consumers to notify the Mobile Network operator and Level 1 provider(s) of consent to be charged.

**SOL9** PRS providers must ensure that the second consumer consent to be charged is established via one of the following means of consumer interaction:

- (a) use of a confirmation button to confirm the purchase
- (b) use of biometric technology, such as fingerprint or facial recognition
- (c) use of a secure, consumer controlled, mobile originating short message service (MO SMS) system for consumers to notify the Mobile Network operator and Level 1 provider(s) of confirmation of consent to be charged.

*Imposed under Annex 2, paragraph (k) information that is required to be given to callers in promotional material or at various stages before and during provision of a high-risk service (including as to receipts)*

### Receipts and ticketing

**SOL10** Following the PRS provider obtaining 'double opt-in' consent to charge from the consumer (SOL8 and SOL9) the PRS provider must ensure that the consumer is sent a confirmation message or receipt, at no additional cost to the consumer, which sets out:

- (a) the name of the service
- (b) confirmation that the service is a subscription (if applicable)
- (c) the charge and the frequency of charging
- (d) where there is no defined charging period, the basis on which the frequency of interaction and charging is established (if a subscription)
- (e) the contact details of the Level 2 provider
- (f) instructions on how to pause or exit the service.

**SOL11** For each and every draw entered, once payment has been made, the consumer must be issued with a valid ticket of entry to the society lottery, containing all relevant

ticketing information as required in law<sup>6</sup>. Each ticket issued in conjunction with a subscription charge should include information about the method of exiting the phone-paid service, including instructions on the use of the STOP command (where applicable).<sup>7</sup>

*Imposed under Annex 2, paragraph 1.1(b) requirements as to the mechanisms and processes used to deliver services to, and to enable exit from services by, consumers:*

### Method of exit

**SOL12** PRS providers must ensure that effective opt-out processes are established.

*Imposed under Annex 2, Paragraph 1.1(m) and (x):*

*(m) the provision of defined information to the Phone-paid Services Authority and the intervals at which it is to be given and the manner to which it is provided;*

*(x) providers of higher risk services to notify the Phone-paid Services Authority at commencement of such services and provide any related information required by the Phone-paid Services Authority within a specified time period.*

### Notification requirements

**SOL13** PRS providers operating these services are to notify the PSA within 48 hours of launching the service, if not done before. On notification, PRS providers must provide information relating to:

- (a) brand identification associated with the provider of the society lottery
- (b) confirmation that all licences required by law have been obtained from relevant bodies, such as the Gambling Commission and / or local authorities
- (c) PRS numbers used for the service, including the dedicated number chosen for STOP and STOP ALL requests
- (d) customer care services details
- (e) identity of all Level 1 providers involved in the provision of the PRS, including those managing the method of exit.

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<sup>6</sup> All tickets in a society lottery licensed by the Gambling Commission or registered with a local authority must state:

- the name of the society on whose behalf the lottery is being promoted
- the price of the ticket
- the name and address of the member of the society responsible for the promotion of the lottery.
- in the case of a small society lottery run under local authority registration, the name and address of the ELM if there is one may be given as an alternative
- the date of the draw, or the means by which the date may be determined
- the fact, where that is the case, that the society is licensed by the Commission
- the website address of the Commission, if licensed by the Commission.

Tickets that are issued through a form of remote communication or any other electronic manner must specify the information above to the purchaser of the ticket and ensure that the message can be either retained (saved) or printed.

<sup>7</sup> Where tickets are issued at the same frequency as payments, services can be operated in such a way that the ticket satisfies the obligations under SOL6.