

Lottery income limits set to boom

After much anticipation, the Gambling Commission has announced that increased lottery income limits for society lotteries will come into force on 29 July 2020.

Hannah Lyons and Jess Neville outline the new rules.



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The new regime increases the cap on annual income from society lottery licences from £10 million to £50 million and increases the maximum individual prize limit from £400,000 to £500,000. This is a welcome change for charities that are nearing the current £10 million limit and are looking to expand their lottery fundraising activity. This fundraising activity is particularly important during the current crisis as charities are exploring remote fundraising opportunities to support their income as other sources have decreased.

Society lotteries will only be able to benefit from the increased limits once the Gambling Commission has made the necessary changes to the Licence Conditions and Codes of Practice (LCCP). The Gambling Commission has recently announced that these changes will come into effect on 29 July 2020, at which point society lotteries will be able to benefit from the increased cap on a pro-rata basis.

As part of the changes, the Gambling Commission also looked at the current regulatory requirements set out in the LCCP to ensure that issues relating to the 'fair and open licensing objective', and in particular transparency for consumers, are addressed in light of the higher income and prize limits.

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The Gambling Commission has now announced that the LCCP will include new requirements (and supporting guidance) on what information must be made available to consumers in order to tighten the licensing framework for society lotteries. This will include requirements to provide players with information on how the proceeds of lotteries are used for good causes, as well as the odds of winning a prize. The Gambling Commission has not yet issued a final draft of these new requirements and guidelines – so for now, society lotteries will need to hold tight and wait for further information on these changes.

FIND OUT MORE

We will update our clients on new developments: please contact Jess or Hannah for further advice in this area.