Running a lottery
including raffles, tombolas, sweepstakes and more

People have a variety of reasons for wanting to run a lottery. They may want to collect money for a good cause such as a charity or help their local sports club buy some equipment or simply to have some fun by running an office sweepstake.

Whatever the reason – fundraising or just fun – lotteries are a form of gambling and so there is a need for safeguards and other regulations.

These regulations are all set out in the Gambling Act 2005 and are the responsibility of the Gambling Commission, which has issued this leaflet.

We will try to answer some initial questions and help you to decide which type of lottery to go for.

What exactly is a lottery?

A lottery is a kind of gambling which has three essential ingredients:

- You have to pay to enter the game
- There is always at least one prize
- Prizes are awarded purely on chance

A typical small-scale lottery is a raffle where players buy a ticket with a number on it; the tickets are randomly drawn and those holding the same numbered ticket win a prize.

Another version is a sweepstake where, for example, the participants pay to randomly draw the names of a horse in a race. The person who draws the winning horse wins the entry money.

There are plenty of other variations: a tombola, for example, can often be found at a funday or summer fete; a 100 club, on the other hand, is often a weekly event organised, for members only, by a PTA.

As well as the three elements of a lottery outlined above, they all have something else in common: while there is no maximum price for a ticket, in each lottery all tickets must cost the same. That way, everyone has the same chance of winning for the same outlay.

What about the prizes?

Apart from the individual limit in the customer lottery and the overall limit in the non-commercial lottery, there are no restrictions. Prizes in all categories can be monetary or non-monetary; they can be cash, goods or services. Under the licensing laws, alcohol must be in an appropriate sealed container, and must not be awarded to anyone under 18. The police or Local Authority can give advice on this.

For legal reasons, the Gambling Act has created eight categories of lottery, each of which has its own dos and don’ts. On the next page is a short description of them, together with a table on the back page to answer some initial queries.

After each of the categories it states whether further information should be sought from your Local Authority (LA) or the Gambling Commission’s enquiries team (Commission) tel: 0121 230 6666
Types of lottery that require permission

**Small society lotteries**  The society in question must be set up for non-commercial purposes eg sports, cultural or charitable. There is a top limit of £20,000 in ticket sales. Contact and report: LA.

**Large society lotteries**  Similar to the small society lottery, but there is a minimum of £20,000 in ticket sales. Contact and report: Commission.

**Local authority lotteries**  Run by the local authority, to help with any expenditure it normally incurs. Contact and report: Commission.

Types of lottery that do not require permission

**Private society lotteries**  Any group or society except those set up for gambling. The proceeds of the lottery must go to the purposes of the society itself. Contact: LA or Commission.

**Work lotteries**  These can only be run and played by colleagues at a particular place of work. This type of lottery cannot make a profit, and so is unsuitable for fundraising. Contact: LA or Commission.

**Residents’ lotteries**  These can only be run and played by people living at a particular address. This type of lottery cannot make a profit, and so is unsuitable for fundraising. Contact: LA or Commission.

**Customer lotteries**  These can only be run by a business, at its own premises and for its own customers. No prize can be more than £50 in value. This type of lottery cannot make a profit, and so is unsuitable for fundraising. Contact: LA or Commission.

**Incidental non-commercial lotteries**  These are held at non-commercial events, such as school fetes etc. All the sales and the draw must take place during the main event, which may last more than a single day. Prizes cannot total more than £500. Contact: LA.

The following refers to the table on the back page

**System A**
Tickets must show the name of the society and/or the purpose of the lottery, the ticket price, the name and address of the organiser and the date of the draw.

**System B**
Tickets must show the name and address of the organiser, the ticket price, any restrictions as to who may or may not buy a ticket, and state that the rights created by the ticket are non-transferable.

**System C**
There are no specific requirements for tickets.
<table>
<thead>
<tr>
<th>Type of Lottery</th>
<th>Fund raising?</th>
<th>Who can play?</th>
<th>Who can run one?</th>
<th>Limits on time</th>
<th>Limits on place</th>
<th>Can I claim my costs?</th>
<th>Ticket system</th>
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<tbody>
<tr>
<td>Small Society</td>
<td>Yes, at least 20% of proceeds</td>
<td>Over 16s</td>
<td>Society members or nominated fundraisers</td>
<td>None</td>
<td>None</td>
<td>Yes, for prizes and expenses. Up to 80% of sales</td>
<td>A</td>
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<tr>
<td>Large Society</td>
<td>Yes, at least 20% of proceeds</td>
<td>Over 16s</td>
<td>Society members or nominated fundraisers</td>
<td>None</td>
<td>Not in public street</td>
<td>Yes, for prizes and expenses. Up to 80% of sales</td>
<td>A</td>
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<tr>
<td>Local Authority</td>
<td>Yes, at least 20% of proceeds</td>
<td>Over 16s</td>
<td>Authority nominees</td>
<td>None</td>
<td>Not in public street</td>
<td>Yes, for prizes and expenses. Up to 80% of sales</td>
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