

Raffles, lotteries, sweepstakes and competitions FAQs

Holding a raffle, lottery or competition is a fun way to raise funds for your local children's hospice. To help you plan your fundraising, we've got some handy hints and tips below.

Raffles and lotteries

Running a raffle at events can increase profits, whilst also building links with local businesses. As raffles fall under the terms of the Gambling Act 2005, we have highlighted some key points that our supporters may need to know.

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

In a typical raffle, players buy a ticket with a number on it. The tickets are randomly drawn and those holding the same numbered tickets win prizes. Another version is a sweepstake - for example, where the participants pay to randomly pick a name in a 'guess the name of the teddy' game. The person who guesses the winning name wins the teddy.

An 'incidental lottery' doesn't require any permissions or licences and is often the kind held at school fêtes. All ticket sales must take place during the event but the draw may take place afterwards. **Raffles run on social media cannot be classed as incidental lotteries and as such, require a license.**

A 'private society lottery' also requires no additional licence and you may sell tickets in

advance to members of your society and their guests, but on the society premises only (i.e. on school grounds). A 'small society lottery' requires a licence from your local authority. The society in question must be set up for non-commercial purposes, ie. charitable.

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Do we need a lottery licence to run a raffle at our fair?

If you are running a raffle where tickets are not sold before the event, it falls under the terms of an 'incidental lottery'. As such, you will not require a licence or any specific permissions. However, you must adhere to the following rules:

- > All tickets must be sold at the location during the event. The draw may take place after the event, but you should establish a way for ticket holders to find out who has won
- > The promoters of the lottery cannot deduct more than £100 from the proceeds in expenses incurred, such as for the cost of printing tickets, hire of equipment, etc
- > No more than £500 can be deducted from the proceeds for prizes (but other prizes may be donated) and the raffle cannot involve a rollover of prizes

If you are selling tickets prior to the event to members of the public or advertising your raffle outside of society premises in any way, this falls under the terms of a 'small society lottery' and a licence is required - see below

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Can we sell tickets before the event?

If you are planning to sell tickets to the public prior to the event and the proceeds (from ticket sales) for a single draw are not anticipated to exceed £20,000 then you must register with your local authority as a 'small society lottery'. You would need to pay a small fee and comply with a range of regulatory requirements including providing entrants to the lottery with tickets stating specific information and preventing children under the age of 16 from participating. If the proceeds for a single draw were to exceed £20,000 you would require a 'large society lottery' licence from the Gambling Commission.

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Are there any specific details that must be printed on our raffle tickets?

There are no specific requirements for details to be printed on tickets sold in an 'incidental lottery'.

For a 'small society lottery' (tickets sold in advance), tickets must show the name of the promoting society (and the purpose of the lottery), the ticket price, the name and address of the organiser and the date of the draw.

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Can children buy (or sell) raffle tickets?

They can in an 'incidental lottery' but children under the age of 16 cannot sell tickets or participate in a 'small society lottery'.

We have alcoholic prizes - are there any other licensing requirements to consider?

Not from a lottery perspective. Alcoholic prizes cannot be given to under 18s, but you would need to check with your local authority for any further requirements.

Advice from licensing office: As long as your prizes are in sealed containers a TEN (Temporary Event Notice) would not be required, however you may need a TEN for other attractions at your event or if your event itself is considered 'regulated entertainment'. If someone who appears to be under 18 wins an alcoholic prize, checks should be made to verify their age and it is good practice to withhold the prize until it can be given to someone of 18 or over.

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We are selling raffle tickets at our event, with alcoholic prizes - does it matter if my son is sitting on the stall with me?

If the lottery is being run as an 'incidental lottery' then this would be allowed from a lottery/raffle point of view. This is not an issue for the Licensing Act 2003.

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Do we need to be a charity in order to run a raffle?

You do not need to be a registered charity to run a raffle/lottery, however they cannot be run for private or commercial gain. You will need to set up as a society if you are looking to be registered or licensed as a 'small society lottery'.

We've had to postpone our event, can I put back the draw of our raffle?

If you are registered with your local authority to run a 'small society lottery', then you need to contact them in case they have specific terms and conditions you must adhere to. If you put back the date of the draw, it will need to take place as soon as practicably possible. You must make every attempt to notify those who have purchased tickets in the lottery/raffle of the change to the draw date. The notification may be through a number of channels including email, a telephone or text message, your website, a newsletter and your local newspaper.

Can we sell raffle/tombola tickets for 50p each or three for £1?

Tombolas are often run at non-commercial events, such as school fetes, and are normally offered as an 'incidental lottery' under the Gambling Act 2005. Although there are other rules for this type of lottery, the only requirements regarding tickets are that they are sold at the place where the event is held, while the event is taking place. Under the Act there is no reference to ticket pricing so it is acceptable to, for example, charge 50p for one ticket, £1 for three tickets. Similarly, if during the latter stages of the event there were still prizes left, there are no restrictions on reducing prices of tickets further in order to sell them.

Free prize draws

These are a great alternative to raffles and lotteries as they aren't subject to the same regulations.

To avoid being classed as a raffle, it must be free* to enter. However you could suggest a donation for entry, which means that any money raised can be Gift Aided.

*'Free' is defined as any method of communication charged at the normal rate, specifically mentioning first and second class post.

Sweepstakes

You can run a sweepstake against many major competitions e.g. horse racing, TV talent shows, spotting activities etc. However you'll need to keep the following in mind when planning a sweepstake.

- > Sweepstakes can only be run with employees/residents in a particular residence or office. This is because they are classed as a workplace/residents lottery
- > Profits from the sweepstake must be split between the winner and the charity (with at least 50% coming to Acorns)
- > The entry price must be the same for all entrants

For more information

More details about running a raffle for fundraising can be found in the 'Lotteries FAQs' section on the Gambling Commission website (gamblingcommission.gov.uk). Or contact the licensing officer at your local authority.