

Fundraising with a raffle or lottery – rules and regulations

Running a raffle at events can boost profits, whilst also building links with local businesses. Raffles fall under the terms of the Gambling Act 2005, so this is what you 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.

A **small society 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 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 non-commercial lottery** doesn't require any permissions or licences. These are held at non-commercial events, such as school fêtes. All ticket sales and draws must take place during the event.

A **small society lottery** requires a licence from your local authority. The society in question must be set up for non-commercial purposes, i.e. charitable.

Is a lottery licence necessary to run a raffle at a fair?

If running a raffle where tickets are NOT sold before the event, this falls under the terms of an 'incidental non-commercial 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 and the result made public while the event takes place.
- 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 spent on prizes (but other prizes may be donated) and the raffle cannot involve a rollover of prizes.

If selling tickets prior to the event, this falls under the terms of a 'small society lottery' and a licence is required.

Can tickets be sold before the event?

If you're planning to sell tickets 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.



Are there specific details that MUST be printed on raffle tickets?

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

Can children buy (or sell) raffle tickets?

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

If the event is postponed, what happens to the raffle draw?

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/text message, your website, a newsletter and your local newspaper.

Can raffle/tombola tickets be sold for 50p each or three for £1?

Tombolas are often run at non-commercial events, and so normally offered as a type of lottery called an 'incidental non-commercial 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.

For more information

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