



Department for
Digital, Culture
Media & Sport

Consultation on the minimum age for playing National Lottery games

16 July 2019

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Foreword by the Minister for Sport and Civil Society

I am immensely proud of the exceptional role that the UK-wide National Lottery has played in supporting good causes since it was established by John Major's government in 1993. This year we will mark the Lottery's 25th birthday, celebrating the £40bn the National Lottery has raised for good causes since the very first draw in November 1994. The Lottery has helped enhance our national heritage, arts, sporting and community life and continues to transform the lives of communities across the UK with £1,615m raised in 2018/19.

The current licence to run the National Lottery is due to expire in 2023. The Gambling Commission has begun work to design and run a competition to award the next National Lottery Licence. The start of a new licence period is an opportune time to ensure that the policy framework for the National Lottery is fit for the future.

Since the award of the third National Lottery licence in 2009, there have been changes to the landscape in which the National Lottery sits. There has been a significant growth in online gambling in general and major new online and mobile platforms have revolutionised the way players interact with the National Lottery games. In addition to technological changes, the relative proportion and total sales revenue of instant win games, especially scratchcards, has increased. This raises the question whether the availability of all National Lottery games to those under 18 remains appropriate.

The responsibility to protect players of the National Lottery is a fundamental principle of the National Lottery etc. Act 1993. The vision and success of the UK National Lottery has always been to encourage lots of people to play the National Lottery games but to individually spend relatively small amounts. This strategy, in conjunction with the player protection policies of the operator, and scrutiny from the Gambling Commission, means that we can be confident that National Lottery games have a very low risk of causing harm to players.

My objective in considering changes to the minimum age is to ensure that we are continuing to protect all players of the National Lottery - in particular young and vulnerable people - from the potential risks of gambling related harm in light of changes to the balance of games within the portfolio, technology and player behaviour. I also wish to ensure that there is a clear position regarding the minimum age to play National Lottery games in light of the upcoming bidding process for the fourth National Lottery licence competition and to maintain the National Lottery's special status as distinct from other forms of gambling to ensure that it continues to support good causes in the future.

Research data from the latest combined Health Survey showed that problem gambling rates for National Lottery games were the lowest compared with all other gambling activities surveyed, although rates were slightly higher for scratchcards than for draw-based games. In addition to considering the option to raise the minimum age to 18 we are also considering a differentiated approach that would increase the minimum age for instant win games only.

I am minded to adopt a proportionate, precautionary approach with a view to protect 16 and 17 year olds from possible or future harm. After an initial review of the evidence, my

view is that the option that fits best with this approach is to increase the minimum age to 18 for instant win games (scratchcards and online instant win games) and to maintain a minimum age of 16 for draw-based games and I welcome views on this.

I am interested to hear feedback from industry, interested stakeholders and the public on all of the options presented, and in particular from retailers about what any changes would mean for them. I look forward to hearing your views.

A handwritten signature in dark ink, appearing to read 'Mims', with a stylized, flowing script.

Mims Davies MP

How to Respond

This consultation covers the United Kingdom. We welcome comments from all stakeholders who may be interested. This consultation is being conducted via an **online survey and will close on 08 October 2019**. Please respond via the link [here](#).

If you have any questions, or if you require any other format, please get in touch at:

Gambling and Lotteries Team
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We will process the names and addresses and email addresses provided by respondents, and information about which organisations respondents belong to, where this is provided. We will also process the information that you provide in relation to your views on the proposed changes contained in the consultation, which may of course include commercially sensitive data. When the consultation ends, we will publish a summary of the key points raised on the Department's website: www.gov.uk/DCMS. This will include a list of the organisations that responded, but not any individual's personal name, address or other contact details. All responses and personal data will be processed in compliance with the Data Protection Act 2018 and the General Data Protection Regulation.

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Once you have submitted your response to the survey you will not be able to withdraw your answers from the analysis stage. However,] under the Data Protection Act 2018 (and the General Data Protection Regulation), you have certain rights to access your personal data and have it corrected or erased (in certain circumstances), and you can withdraw your consent to us processing your personal data at any me.

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dcmsdataprotection@culture.gov.uk

1. Executive Summary

- 1.1. The current licence to run the National Lottery is due to expire in 2023. The Gambling Commission has begun work to design and run a competition to award the next National Lottery Licence. The start of a new licence period is an opportune time to ensure that the policy framework for the National Lottery is fit for the future.
- 1.2. The minimum age to play the National Lottery was set at 16 in 1994. National Lottery games are split into two categories: draw-based games such as Lotto and EuroMillions; and instant win games which consists of scratchcards and online instant win games. Draw-based and instant win games have the same minimum age of 16 to play.
- 1.3. Since the award of the third National Lottery licence in 2009, there have been changes to the landscape in which the National Lottery sits. There has been a significant growth in online gambling in general and major new online and mobile platforms have revolutionised the way players interact with the National Lottery games. In addition to technological changes, the relative proportion and total sales revenue of instant win games, especially scratchcards, has increased. This raises the question whether the availability of all National Lottery games to those under 18 remains appropriate.
- 1.4. In considering the minimum age for playing National Lottery games the government's objectives are:
 - to ensure that young people are protected from the potential risks of gambling related harm;
 - to maintain the National Lottery's special status as a low-risk product and distinct from commercial gambling, to ensure that it remains attractive to the player base and continues to support good causes in the future;
 - to respond to trends in technology and player behaviour and future proof the National Lottery for the life of the next licence;
 - to ensure that there is a clear position regarding the minimum age to play National Lottery games for the upcoming bidding process for the fourth National Lottery licence competition.¹

With respect to these objectives, the consultation sets out three options for the minimum age for National Lottery games:

¹ <https://www.4nlc.com/home.aspx>

Option 1 - Do nothing, retain the minimum age of 16 for all National Lottery games

Option 2 - Raise the minimum age to 18 for National Lottery instant win games (i.e. scratchcards and online instant win games)

Option 3 - Raise the minimum age to 18 for all National Lottery games

- 1.5. The consultation considers evidence on participation data, risk of harm (including game characteristics and problem gambling prevalence), sales revenue and good cause returns, and the risk of underage play.
- 1.6. Survey data provided by the Gambling Commission showed that participation in any National Lottery game by 16 and 17 year olds in the UK in the last month was lower than in any other age group and that the proportion of 16 and 17 year olds who reported playing draw-based games and scratchcard games was similar. This is different to the older age groups where respondents were more likely to have played draw-based games than scratchcards. Account data showed that there were very few 16 and 17 year olds playing online instant win games, although this may be an area where we see further growth in the future.
- 1.7. Evidence from the latest combined Health Survey² showed that problem gambling rates for players of National Lottery draw-based games were 1.0%, while the figure for scratchcards was 1.8%.³ Data from the survey also shows that participating in multiple gambling activities increase the risk of problem gambling. The problem gambling rates are based on survey data for all National Lottery players including those who participate in both the National Lottery and other gambling activities. The success of the player protection standards currently in place are evident in the Health Survey data: the National Lottery games were associated with the lowest rates of problem gambling out of all the gambling products considered.
- 1.8. The difference between draw-based and scratchcards (an instant win game) may be explained by the clear differences in their characteristics. Research suggests that gambling activities which are readily accessible (unrestricted by event frequency or duration) and which provide instant loss/reward are more likely to facilitate variable patterns of play that can be problematic (e.g. excessive play or chasing losses).⁴ This is an important consideration in the case for change to the minimum age for playing National Lottery games.

² Published in September 2018

<https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-behaviour-in-Great-Britain-2016.pdf>

³ The problem gambling rates reported in the Health Survey for draw-based games and scratchcards do not give a breakdown by age and are not mutually exclusive from other activities. This limits the strength of conclusions that can be drawn from this data in relation to the risk of harm to 16 and 17 year olds players of National Lottery games.

⁴ <https://about.gambleaware.org/media/1362/pbhm-final-report-december-2016.pdf>

- 1.9. The total estimated sales revenues from 16 and 17 year olds in 2017/18 was £47m, of which returns to good causes comprised of around £7m. This was a very small proportion (0.4%) of total returns to good causes from all National Lottery sales. Draw-based games accounted for 32% of sales revenue generated by 16 and 17 year old players, while scratchcards accounted for 68% (online instant win games accounted for less than 1%). This differs from the breakdown of total sales in 2017/18 (for all age groups), where the proportion of sales from draw-based games, scratchcards and online instant win games was 59%, 35% and 6% respectively.
- 1.10. There is evidence in the Young People and Gambling survey which suggests that a very small number of under 16s are playing National Lottery games. Increasing the minimum age to purchase some or all National Lottery games may further reduce the already low risk of children and young people being successful in purchasing National Lottery games from retail outlets.
- 1.11. The government wish to adopt a proportionate, precautionary approach with a view to protect 16 and 17 year olds from possible or future harm. Our initial position, based on the evidence examined in the consultation, is to raise the minimum age to 18 for instant win games (scratchcards and online instant win games) and maintain the 16 limit for draw-based games, but we welcome views on this approach in the consultation.
- 1.12. National Lottery instant win games have some similarities in terms of feel, look and game characteristics to commercial gambling products. Gambling activities that provide an opportunity for high frequency gambling and offer numerous opportunities to participate are more likely to be associated with problem gambling. This option would bring the minimum age for instant win National Lottery games into line with products that have some similar characteristics. We are proposing to maintain the minimum age of 16 for National Lottery draw-based games because they are associated with a lower risk of harm and have limited scope to encourage excessive play. Additionally, this would allow for the continued participation and enjoyment of National Lottery draw-based games and the subsequent support of good causes.
- 1.13. There is not currently evidence of a significant risk of harm to 16 and 17 year olds from playing any National Lottery game. The government welcomes views on the appropriateness of the current minimum age for playing National Lottery games and any associated costs or impacts resulting from the proposed changes. Subject to the outcome of consultation, changes to the minimum age would be implemented in parallel with the start of the fourth National Lottery licence in 2023. Looking ahead, the government believes it is important that there is parity on the minimum age for comparable society lottery products. We intend to consider this, in consultation with the industry.

2. Background

- 2.1. The UK-wide National Lottery was established under the National Lottery etc. Act 1993. The Government of the time set up the National Lottery to support our national heritage, arts, sporting and community life. The vision and success of the UK National Lottery has always been to encourage lots of people to play the National Lottery games but to individually spend relatively small amounts. Since the launch of the National Lottery in November 1994, it has raised over £40 billion for good causes.

Regulation

- 2.2. The Secretary of State and the Gambling Commission are charged, under s4 of the 1993 Act, with the same overriding duties:
- to ensure the Lottery is run with all due propriety;
 - to ensure the interests of participants are protected;
 - subject to these to ensure that returns to good causes are maximised.
- 2.3. The licence to run the National Lottery requires that robust player protection measures are in place to ensure the safety of all players. This includes the application of a player protection strategy⁵ which must be approved by the regulator and an expectation of greater transparency from the operator than of other commercial operators.
- 2.4. Both the Gambling Commission and the operator have a duty to prevent problem play on the National Lottery. Details of the robust regulations that are in place and the player protection strategy of the current operator are outlined in **Annex B**.
- 2.5. Additionally, the National Lottery is subject to particularly thorough Parliamentary and regulatory oversight. These characteristics and other controls set out in the founding legislation have created what is often described as “clear blue water” between the National Lottery and other gambling products.

Minimum age

- 2.6. The current licence to run the National Lottery is due to expire in 2023. The Gambling Commission has begun work to design and run a competition to award the next National Lottery Licence. The start of a new licence period is an opportune time to ensure that the policy framework for the National Lottery is fit for the future.

⁵ <http://www.camelotgroup.co.uk/what-we-do/promoting-responsible-play>

- 2.7. Since the award of the third National Lottery licence in 2009, there have been changes to the landscape in which the National Lottery sits. There has been a significant growth in online gambling in general and major new online and mobile platforms have revolutionised the way players interact with the National Lottery games. In addition to technological changes, the relative proportion and total sales revenue of instant win games, especially scratchcards, has increased. This raises the question whether the availability of all National Lottery games to those under 18 remains appropriate. This consultation document presents the evidence and options under consideration to address these changes.
- 2.8. The age of 18 is widely recognised as the age at which one becomes an adult, gaining full citizenship rights and responsibilities. However, the default minimum age limit for all types of lottery games is 16. The lotteries sector is one of several exceptions to the minimum age of 18 for accessing the majority of commercial gambling products. These exceptions recognise the characteristics of these products and associated low risk of harm.
- 2.9. The minimum age for playing National Lottery games was set at 16 in 1994. This mirrored the existing legislative position for society lottery games which could only be played by those aged 16 or over. The minimum age of 16 reflected the fact that the National Lottery and other lotteries were conceived as different, and separate, from other forms of gambling. This difference was justified as the National Lottery would be distinct from commercial gambling products which are associated with a higher risk:
- It would provide money to good causes;
 - It would cost a small amount to play for a small chance of winning life changing jackpots;
 - It would not encourage (nor easily allow) repetitive play e.g. chasing losses; and
 - It would be regulated differently, with a clear focus on propriety and player protection that was to be “built in” and enforced by statute and the operator
- 2.10. The National Lottery has a special status that is distinctive and distinguished from other types of gambling and its primary purpose is to raise funds to support good causes. The regulations, player protection strategies and focus on consumer protections have helped to ensure that the National Lottery is low risk, responsible and involves mass participation.
- 2.11. Section 12 of the National Lottery etc. Act 1993 allows the Secretary of State to amend the minimum age for playing National Lottery products using

secondary legislation by negative resolution. This power to amend the minimum age for playing the National Lottery recognises that this may be an area where there is a case for change, in the event that the circumstances of the National Lottery have changed.

National Lottery games

2.12. There are two types of lottery game that make up the National Lottery portfolio:

- **draw-based games**, such as Lotto and EuroMillions where a ticket is bought at least 15 minutes in advance of a draw. These games are characterised by a low ticket price, limited draw frequency, high odds and life changing top prizes
- **instant win games**, where a prize can be won directly after purchase (scratchcards and online instant win games) and has been allocated preceding the purchase so the outcome is predetermined. On average across all instant win games there is a 1 in 4 chance of winning a prize. Instant win games have a faster speed of play in comparison to draw-based games and a wider range of price points.

Figure 1. Characteristics of National Lottery draw-based games and instant win games⁶

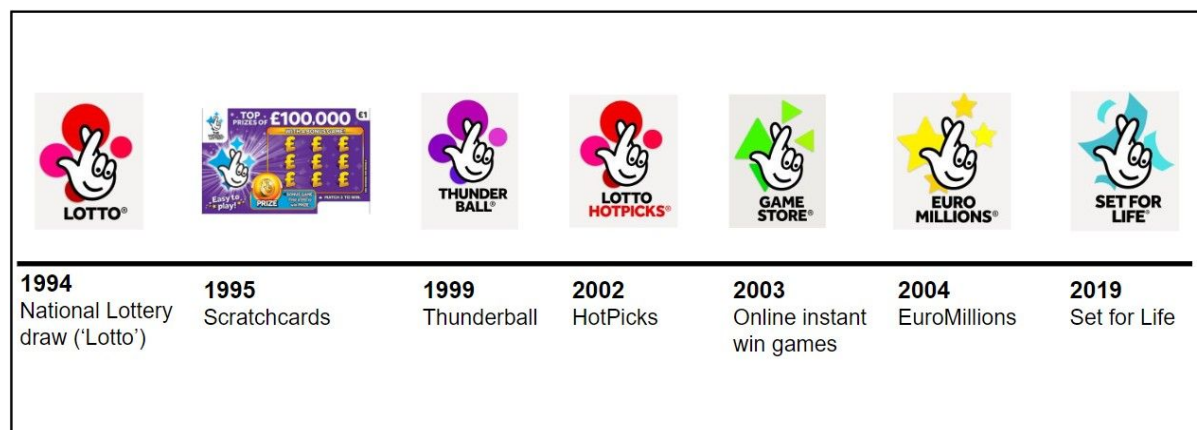
Draw based games	Instant win games
Single events taking place on set days of the week	Can be played at a higher frequency
Time delay of at least 15 minutes between ticket purchase and draw	Instant loss/reward
Small range of game prices (£1 to £2.50)	Bigger range of game prices with higher maximum (£0.25 to £10)
High maximum prize (e.g. c.£11m-£12m for must-be-won Lotto draws, a maximum of c.£167m for EuroMillions)	Range of prize levels (Maximum of up to £4m)
Higher odds (e.g. for Lotto, 1 in 9.3 of winning any prize and 1 in 93 of winning a cash prize)	Lower odds (on average across all instant win games there is a 1 in 4 chance of winning a prize)

⁶ Details for game prices, prize levels and odds accurate as at 10/05/2019. Maximum prize for EuroMillions dependent on exchange rate.

Lower rate of prize return to players (average of 49% of revenue in 2017/18)	Higher rate of prize return to players ⁷ (average of 68% of revenue in 2017/18)
Higher returns to good causes (average of 30% of revenue in 2017/18)	Lower returns to good causes (average of 10% of revenue in 2017/18)

- 2.13. When the National Lottery was first launched it consisted only of the traditional draw-based game now known as 'Lotto'; scratchcards were launched a few months later in 1995. Since then the National Lottery game portfolio has evolved and a number of additional draw-based games have been included over time. Online instant win games were added in 2003.

Figure 2. Evolution of the National Lottery games portfolio (selected games from 1994-2019)



- 2.14. During this period, the commercial gambling market has changed significantly, with the emergence and growth of online gambling from the 2000s until the present day. The Gambling Commission's review of the online gambling market reported significant growth in the online sector, with double digit annual growth between 2008/09 and 2016/17.⁸ The gross gambling yield (GGY) in 2008/09 for remote gambling was estimated at £1.53bn, although the Gambling Commission only became responsible for regulating the whole online sector and collecting data on it from November 2014. GGY for remote gambling was £5.6bn in 2018/19.⁹

⁷ The prize payout percentage for scratchcards and online instant win games range between 50 - 75%, with prize payout for £10 games restricted to 73.5%.

⁸ p.3 <http://www.gamblingcommission.gov.uk/PDF/Online-review-March-2018.pdf>

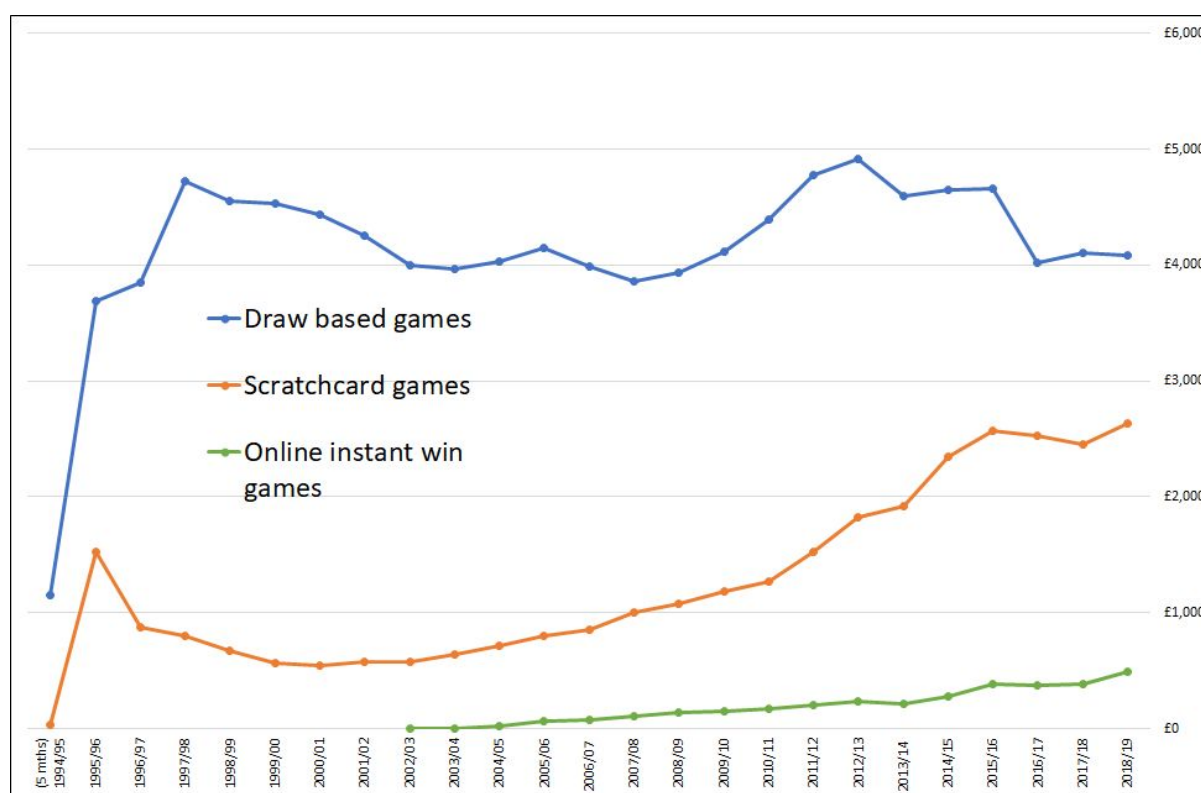
⁹ <https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-industry-statistics.pdf>

- 2.15. The review noted that it was likely that the online sector would continue to grow. The Commission found that, in addition to consumer behaviour and technological factors, growth would be driven by attracting new groups of consumers and by increased product personalisation. However, although there is a clear trend toward online sales, the majority of National Lottery sales (around 75% in 2018/19¹⁰) still take place in a retailer.

National Lottery sales

- 2.16. The data in **Figure 3** shows how National Lottery sales have grown since the National Lottery was launched. In 2017/18, the National Lottery total sales were around £7bn. There has been a significant growth in sales of instant win games (both scratchcards and online win games) in recent years, particularly within the current licence period which began in February 2009. Since 2008/09, draw-based game sales have increased by 4% whereas sales of scratchcards have increased by 146% and online instant win games by 251% (from a very low base).¹¹

Figure 3. National Lottery sales (in £m) each financial year since 1994-95, by game type¹²



¹⁰ <http://www.camelotgroup.co.uk/news/camelot-uk-lotteries-limited-201819-financial-result>

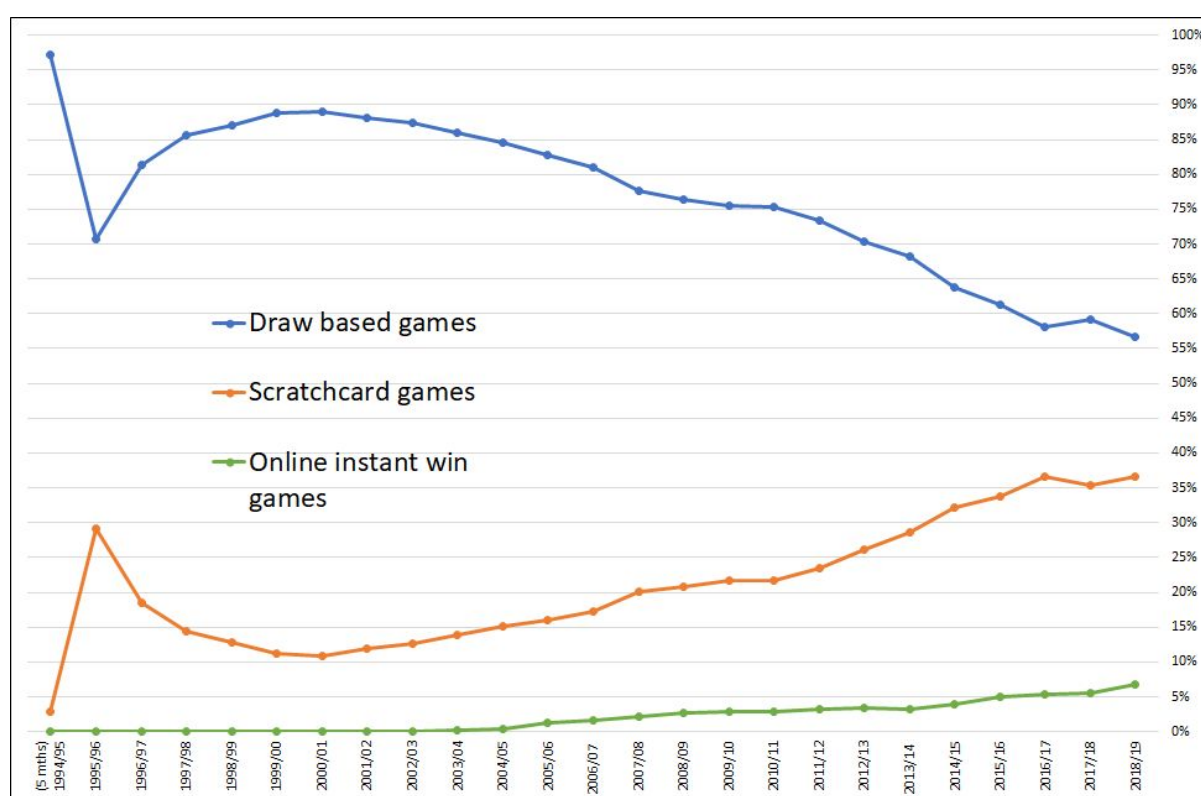
¹¹ Figures calculated using headline sales data from 2018/19.

¹² Figures before 2004/05 calculated from weekly series and are not accurate year end totals. 2004/05 onwards new reporting requirements. Scratchcards introduced March 1995, Interactive instant win games (IIWGs) introduced in February 2003.

2.17. In 2017/18, the proportion of sales from draw-based games, scratchcards and online instant win games was 59%, 35% and 6% respectively. The proportion of sales from draw-based games has gradually decreased over time while the proportion of sales from scratchcards, and since their launch in 2003, online instant win games, has increased.

2.18. Headline sales figures from 2018/19 indicate that the proportion of total sales from draw-based games has fallen to around 57%, scratchcards increased to 37% and online instant win games increased to 7%.¹³ This suggests that the relative share of total sales by the different game types is continuing to move towards instant win games and away from draw-based games. It is likely that the proportion of draw-based game sales will continue to decrease in the remaining years of the current licence.¹⁴

Figure 4. Share of National Lottery sales each financial year since 1994-95, by game type¹⁵



International comparisons

2.19. The Gambling Commission have provided evidence on international comparisons for the minimum age for playing lotteries. They considered age restrictions which apply to gambling across 50 jurisdictions. The Gambling

¹³ These figures are subject to change following audit.

¹⁴ Based on Gambling Commission projections and analysis of current trends.

¹⁵ Figures before 2004/05 calculated from weekly series and are not accurate year end totals. 2004/05 onwards new reporting requirements. Scratchcards introduced March 1995, Interactive instant win games (IIWGs) introduced in February 2003.

Commission found only four jurisdictions, Austria, Estonia, the UK and Switzerland, which permit play at 16 and 17. Within this group both Austria and Switzerland limit play to the retail environment with online sales restricted to 18 or above. All other jurisdictions studied have a minimum age for lottery play of 18 or above which, in general, is aligned with the age restriction imposed on other gambling products.

- 2.20. Gambling restrictions and gambling culture varies across different jurisdictions. It appears that the majority of age restrictions were set when the respective lottery was established and the research did not find evidence of any of the jurisdictions changing the minimum age for lottery play. Therefore, this consultation and options appear to be unique and we cannot draw evidence of previous positive or negative impacts from a change to the minimum age for lotteries from similar changes elsewhere.

3. Considerations for changing the minimum age for playing the National Lottery

3.1. Looking ahead to the fourth licence, new technologies will continue to create opportunities for more innovative games which could bring National Lottery games increasingly closer to those found in the commercial gambling sector. For example, research by Mintel¹⁶ noted that more exciting versions of instant games provide a market opportunity for the National Lottery to increase online market share. In addition to technological changes, there has been a trend in instant win games occupying an increasing proportion of the sales portfolio (as set out in **Figure 4**). This raises the question whether the availability of all National Lottery games to those under 18 remains appropriate as noted by the Responsible Gambling Strategy Board.¹⁷ The government response to the review of changes to gaming machines and social responsibility measures across the gambling sector, published in May 2018, included a commitment to consider the minimum age for playing National Lottery games.¹⁸

3.2. The government's objectives for this consultation are:

- to ensure that young people are protected from the potential risks of gambling related harm;
- to maintain the National Lottery's special status as a low-risk product and distinct from commercial gambling, to ensure that it remains attractive to the player base and continues to support good causes in the future;
- to respond to trends in technology and player behaviour and future proof the National Lottery for the life of the next licence;
- to ensure that there is a clear position regarding the minimum age to play National Lottery games for the upcoming bidding process for the fourth National Lottery licence competition.¹⁹

3.3. The consultation sets out a summary of the evidence, views and research the government has considered in setting out the options for changes to the minimum age for playing National Lottery games.

¹⁶ Mintel Lotteries Review UK, March 2014

¹⁷ The RGSB is now known as the Advisory Board on Safer Gambling.

<https://www.rgsb.org.uk/PDF/Gambling-and-children-and-young-people-2018.pdf>

¹⁸

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/707815/Government_response_to_the_consultation_on_proposals_for_changes_to_gaming_machines_and_social_responsibility_measures.pdf

¹⁹ <https://www.4nlc.com/home.aspx>

- 3.4. There are three options under consideration in this consultation on changes to the minimum age for National Lottery games:

Option 1 - Do nothing, retain the minimum age of 16 for all National Lottery games

Option 2 - Raise the minimum age to 18 for National Lottery instant win games (i.e. scratchcards and online instant win games)

Option 3 - Raise the minimum age to 18 for all National Lottery games

Participation

- 3.5. According to survey data collected by the Gambling Commission²⁰, 16 and 17 year olds made up 0.8% of draw-based game 'regular players' and 1.6% of scratchcard 'regular players'. Regular players are defined as respondents who reported playing draw-based or scratchcard games at any time in the last month.
- 3.6. Survey data for online instant win games has not been included in this assessment. The National Lottery operator has provided actual figures as online play is account based (see **Figure 7**).

Figure 5. Proportion of all respondents in each age group that identified as 'regular players' (Gambling Commission survey data)

Age	Played NL draw-based games (%)	Played scratchcard games (%)
16-17	13.8	15.6
18-24	30.4	28.0
25-34	48.8	40.9
35-44	53.5	36.2
45-54	56.2	26.9
55-64	54.8	18.4
65+	49.1	13.1

- 3.7. From the 16 and 17 year olds surveyed, a similar proportion reported playing draw-based games and scratchcard games in the last month. This is different

²⁰ Data is based on a sample of the population with quota and weighting controls to help ensure that the respective numbers surveyed in each age group are representative of the whole UK population. Gambling Commission survey data obtained between April 2016 and March 2019. 40,147 people were surveyed of which 1112 were aged 16 or 17. This equates to 2.77% of the total people surveyed which is comparable with the proportion of the UK population that are 16 or 17 years old (2.72%).

to the older age groups where respondents were more likely to have played draw-based games than scratchcards.

Figure 6. Proportion of responses to the question of when last played National Lottery games for all 16 and 17 year olds surveyed between April 2016 and March 2019 (Gambling Commission survey data).²¹

	Played NL draw-based games (%)	Played scratchcard games (%)
In the last week	7.1	7.1
In the last month	6.7	8.5
In the last 6 months	5.2	10.2
In the last year	4.8	6.9
Longer ago	2.3	4.5
Have never played	73.7	60.2
Used to play but have stopped	0.2	2.6

- 3.8. The survey data also suggests that almost 40% of 16 and 17 year olds have ever played scratchcard games whereas only around 26% have ever played draw-based games. This suggests that 16 and 17 year olds are more likely to try scratchcards than /draw-based games.

Figure 7. Estimated number of 16 and 17 year old National Lottery 'regular players' based on survey data between April 2016 and March 2019 and population estimates²²

Played NL draw-based games	Played NL scratchcards	Played online instant win games
204,000	231,000	484 ²³

²¹ To note that these questions are mutually exclusive. Survey respondents were asked both questions.

²² Calculations based on 2017 mid year population estimates and survey data, figures do not reflect actual number of 16 and 17 year old players, results are rounded to the nearest 1,000
<https://beta.ons.gov.uk/filter-outputs/f2e4d989-5ac5-457c-803a-90970ef0539b>

²³ 484 is the average number of unique players aged 16 or 17 year based on data received from the Gambling Commission, provided by the National Lottery operator between Q3 2016/17 and Q3 2018/19. Prior to Q3 2016/17 the data was presented for 16-24 year olds. Data available for all quarters in the period with the exception of Q4 2017/18 due to a reporting issue. This number remains relatively stable over this period with a range of 436 to 586. The most recent data for Q3 2018/19 data indicated there were 443 people aged 16 or 17 year playing online instant win games.

- 3.9. The number of 16 and 17 year olds playing National Lottery online instant win games is very low and there is no indication, from the data available, of growth in the number of 16 and 17 year old players participating in this sales channel.
- 3.10. The data on participation rates does not suggest that there is a significantly greater number of 16 and 17 year olds who regularly play scratchcard games compared to draw-based games. Although the participation rates are lower than for other age groups, there is still a considerable number of National Lottery players who are 16 and 17.

Risk of harm

Gambling activity characteristics

- 3.11. A report for the Responsible Gambling Trust in 2016²⁴ noted that “patterns of high frequency gambling, as an underlying factor of gambling involvement, are predictive of problem gambling” (Nelson et al, 2008). Therefore gambling activities that provide an opportunity for high frequency gambling are more likely to be associated with problem gambling. The report also stated that activities that have high event frequency and offer numerous, if not unlimited, opportunities to participate will be more attractive to gamblers who are motivated to persist in gambling to recoup their losses.
- 3.12. There are clear differences in the characteristics of National Lottery draw-based and instant win games (as presented in **Figure 1**). The evidence suggests that instant win games, which provide instant loss/reward and are readily accessible (unrestricted by event frequency), are more likely to be associated with a higher risk of problem play. Draw-based games, which are single, scheduled events with a time delay between purchase and draw, do not have these characteristics and are therefore less likely to be associated with problematic play.

The risks of gambling related harm to young people

- 3.13. This policy aims to ensure that young people playing the National Lottery are protected from the potential risks of gambling related harm. Some research has considered the potential gambling related harms which may also affect young people’s future potential; including emotional wellbeing, family, education, development and behaviour. Adolescence is considered a key stage in young people’s development and research indicates that any harms experienced at this stage are likely to impact their future development, confidence and potential. Research²⁵ suggests that there is a greater

²⁴ <https://about.gambleaware.org/media/1362/pbhm-final-report-december-2016.pdf>

²⁵ 3 Stangor, C. (2012). Adolescence: Developing Independence and Identity, in Beginning Psychology, <https://open.lib.umn.edu/intropsyc/chapter/6-3-adolescence-developing-independence-and-identity/>

likelihood of developing longer-term problems, such as addictions, where individuals have started engaging in risky behaviours at a younger age.

- 3.14. In order to better evidence some of these assertions, and as part of the National Strategy to Reduce Gambling Harms, a new framework for action to measure gambling related harms among children and young people was launched in April 2019²⁶ by the Gambling Commission.
- 3.15. Although better understanding is required on the effects of gambling on young people, it is important that the National Lottery is fit for the future. Evidence shows the risk of harm from National Lottery games is low. However, the option to increase the minimum age for National Lottery games that are considered riskier and have a higher association with problem gambling harms would act with a view to protect 16 and 17 year olds from possible or future harm.

Risk of harm from draw-based and scratchcard games

Figure 8. Low risk, moderate risk and problem gamblers prevalence, by activity²⁷

Gambling activity	Low risk gamblers (%)	Moderate risk gamblers (%)	Problem Gamblers (%)
Lotteries and related products			
National Lottery draws	4.3	1.8	1.0
Scratchcards	6.7	3.4	1.8
Other lotteries	5.3	2.0	1.5

- 3.16. The data in **Figure 8** is for all National Lottery players including those who participate in both the National Lottery and other gambling activities. Current evidence does not suggest a significant risk of harm to 16 and 17 year olds playing National Lottery draw-based or scratchcard games. Research data from the Gambling Commission combined Health Survey²⁸ (published in September 2018), showed that National Lottery games was associated with the lowest rate of problem gambling across all gambling activities. By comparison, the problem gambling rates for other activities covered by the survey ranged from 2.5% to 13.7%.

²⁶ <https://www.gamblingcommission.gov.uk/PDF/Measuring-GRH-in-CYP-A-framework-for-action.pdf>

²⁷ Data shown is for aged 16 and over with a valid DSM-IV or PGSI score, England, Scotland and Wales [p.73 of the Health Survey].

²⁸ <https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-behaviour-in-Great-Britain-2016.pdf>

- 3.17. The Health Survey also provides some evidence that there may be a correlation between playing National Lottery draw based games and well being²⁹. Those surveyed with higher levels of wellbeing were more likely to have participated in National Lottery draws than those who reported low well-being scores. In contrast, the popularity of scratchcards did not vary according to well-being scores.
- 3.18. The data in **Figure 8** shows higher problem gambling rates for scratchcard players compared to draw-based game players. The Health Survey does not consider the problem gambling or at risk gambling rates for online instant win games. There are several limitations to the available data for considering the level of harm for 16 and 17 year olds playing the National Lottery. The problem gambling rates 'by activity' do not give a breakdown by age for National Lottery players and are not mutually exclusive from other activities. Therefore, for example, players of National Lottery draws identified as problem gamblers may have taken part in multiple gambling activities.

Figure 9. Problem gambling prevalence by number of activities

Number of Gambling Activities	Problem Gambler (%)
1 activity	0.3
2-3 activities	0.4
4-6 activities	3.2
7 or more activities	13.2

- 3.19. The statistics in **Figure 9** show that problem gambling is often associated with participating in multiple gambling activities. In cases where there are incidences of problem gambling related to National Lottery games, the National Lottery may be played alongside a range of other gambling products. Additionally, 16 and 17 year olds may be less at risk of harm than other age groups as they are limited to the number of other activities that are legally available to them due to the minimum age of 18 for the majority of other gambling activities.

²⁹ p.30

<https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-behaviour-in-Great-Britain-2016.pdf>

Risk of harm from online instant win games

- 3.20. Online play is account based which means the National Lottery operator has access to player data which can be used to identify potentially harmful behaviour and to target interventions which aim to reduce the risk of harm.
- 3.21. With regard to online instant win games, the National Lottery operator uses an analytical tool which considers various measures associated with at risk play (such as session length, number and frequency of sessions and total losses) to evaluate player behaviour by risk profile and target interventions to promote positive changes in behaviour.
- 3.22. Data provided by the National Lottery operator for 2018/19 shows that on average there were 13 unique players aged 16 and 17 who played online instant win games and exhibited signs of problem or at-risk play³⁰. This is approximately 2.9%³¹ of the average number of active 16 and 17 year old players in this period.
- 3.23. The data does not provide evidence of a significant risk of gambling related harm for 16 and 17 year olds from playing online instant win games. Of the very few 16 and 17 year olds that are playing online instant win games there is a small proportion of these players that are exhibiting signs of problem or at-risk play. These statistics cannot be compared with the rates from the health survey data for other National Lottery games or commercial gambling products, as the data provided by the online analytics model is not comparable to markers of low and moderate risk gambling or problem gambling³².
- 3.24. Analysis of online play data has lead to some benefits for player protection measures and the possibility for the operator to make interventions when necessary. However, aspects of playing in the retail environment not present in online play, such as staff interaction, may help to prevent or deter problem play. In instances of problem play, buying in store from a shop assistant helps to add an element of friction between a compulsion to gamble and the ability to do so. In order to play compulsively it is likely that an individual would have to go to multiple stores and request large amounts of scratchcards/tickets. Furthermore, the National Lottery operator provide a training programme to support retailers in order to prevent excessive play

³⁰ Camelot, the National Lottery operator, has developed a behavioural analytics tool, which, through daily tracking, identifies patterns of behaviour that suggest a player is exhibiting signs of problem play (a 'red player') or is at risk of problem play (an 'amber player').

³¹ Based on the average number of red/amber flags during 2018/19 (13) and on the average number of active players during Q1 2018/19 to end of Q3 2018/19 (448). The range of red/amber flags was 5-21 and the range of active players was 436-464.

³² In the Health survey, low risk and moderate risk gambling was measured using the Problem Gambling Severity Index (PGSI) and estimates of problem gambling are provided according to two different measurement instruments, the Diagnostic and Statistical Manual of Mental Disorders IV (DSM-IV) and the PGSI.

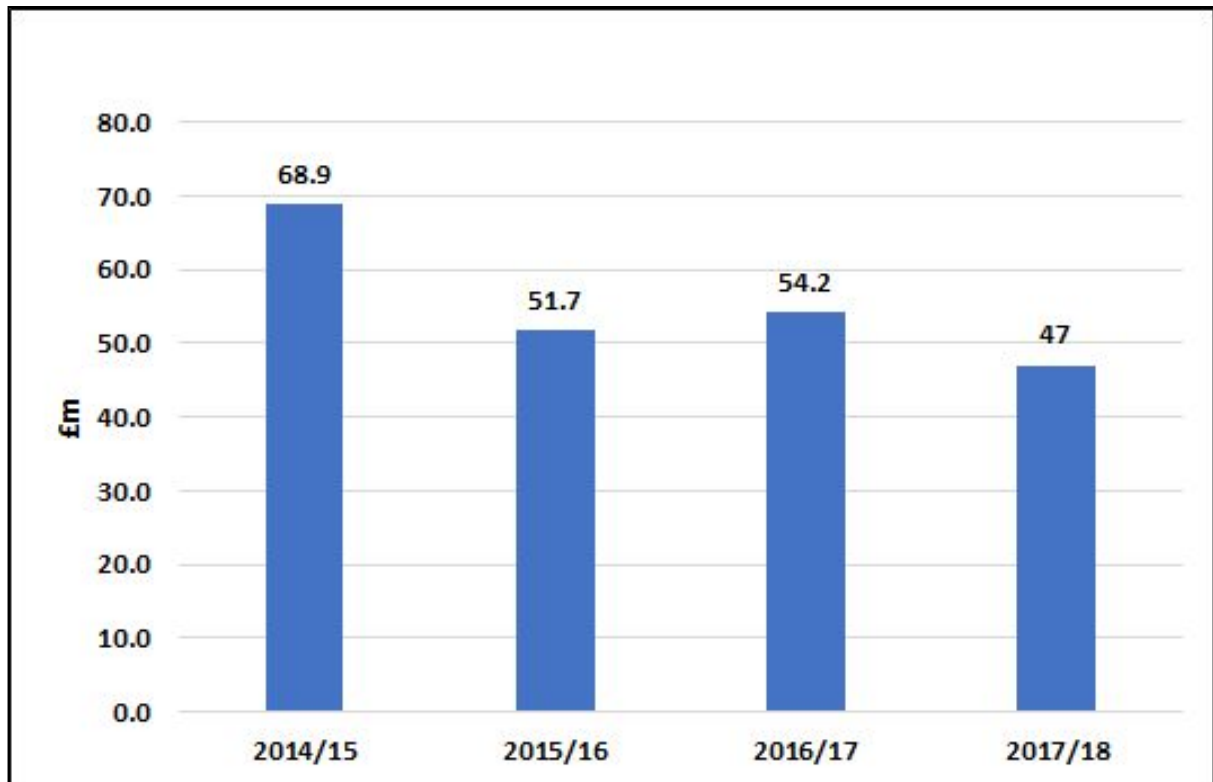
and appropriate resources to offer to any customers they are concerned about.

- 3.25. The consultation options propose ensuring the minimum age for online instant win games is consistent with scratchcards due to their similarities and the potential for additional risks from online play. The options presented take into consideration the potential for growth in this sales channel and the potential risks associated with online play, to ensure that the policy framework for the National Lottery is fit for the future.

Sales and good cause returns

- 3.26. The total estimated sales revenues from 16 and 17 year olds in 2017/18 was £47m, of which returns to good causes comprised of around £7m. This was a very small proportion (0.4%) of total returns to good causes from all National Lottery sales.³³

Figure 10. Sales revenue for 16 and 17 year old (from all National Lottery games)



- 3.27. The data in **Figure 10** shows that sales revenue for 16 and 17 year old play has declined over the last 4 years. However, in the absence of further historic data, it is difficult to conclude that this represents a trend.

³³ Returns to good causes from the National Lottery sales totalled £1,644m in 2017/18, of which estimated returns to good causes attributed to sales to players aged 16 and 17 year were £7m.

- 3.28. The majority of sales revenue from 16 and 17 year olds came from scratchcards (68%) followed by draw-based games (32%) and online instant win games (<1%). However, in terms of the relative proportion of good cause returns, draw-based games sales to 16 and 17 year olds contributed around £4m, and scratchcards £3m.

Figure 11. Estimate sales revenue and good cause returns from 16 and 17 year old play in 2017/18

	Sales Revenue (£m)	Good cause returns (£m)
Draw-based games	15.0	4.1
Scratchcards	31.8	2.9
Online instant win games	0.2	0.0

Figures rounded to the nearest £0.1m.

- 3.29. The estimated cost to good causes from a change to the minimum age is relatively low but it would reduce the income for the beneficiaries of National Lottery sales. The option to increase the minimum age to 18 only for instant win games has less of an impact on good cause returns than if the minimum age was increased to 18 for all National Lottery games. In this option the cost to good causes totals around £3m and the cost to retailers around £2m - which increases to £7m and £2.7m respectively if the minimum age was increased for all National Lottery games. The impact on good cause income, retailer commission, operator profits and other costs to business are considered in detail in the accompanying impact assessment.

Risk of underage play

- 3.30. Gambling Commission's Young People and Gambling survey includes a section on National Lottery play which excludes data provided by those aged 16 who are legally allowed to play the lottery.³⁴ Overall, 3% of 11-15 year olds had played any National Lottery game in the past seven days, a slight decrease from 4% in 2017. The survey found that 2% of those aged 11-15 years old (45 individuals) had spent money on scratchcards in the past 7 days.

³⁴ The Young People and Gambling survey consisted of responses from 2,865 children and young people aged 11-16. However the section on the National Lottery consisted of substantially fewer responses as it covers those aged 11-15; reflecting the fact that National Lottery games can be legally played by those aged 16. There were 223 responses from 11-15 year olds which reported spending money on National Lottery scratchcards or online instant win games; and 157 responses which reported spending money on National Lottery draw-based games. It is likely that some individual respondents reported spending money in both categories.

- 3.31. However, of the 11-15 year olds who reported buying National Lottery tickets or scratchcards (retail products) in the past, 62% said a parent or guardian handed over the money at the till.
- 3.32. There are strict age verification requirements in place for both retailers and the National Lottery operator to reduce the risk of underage play. However, increasing the minimum age to purchase some or all National Lottery games may further reduce the already low risk of children and young people (those aged 15 and below) being successful in purchasing National Lottery games from retail outlets. An increase to the minimum age may also alter the behaviour and perception of parents or guardians when buying National Lottery games for children and young people below the age limit.

Public opinion

- 3.33. Attitudes towards the National Lottery are measured by the Gambling Commission's survey. In October 2018, respondents to the survey were asked whether 16 and 17 year olds should be able to play the National Lottery and in November 2018 the survey explored whether these views were different by game type.
- 3.34. In the October 2018 survey, 57% of respondents disagreed that "16 and 17 year olds should be able to play the National Lottery" and in the November 2018 survey 67% of respondents did not believe that 16 and 17 year olds should be able to able to play any National Lottery games³⁵.
- 3.35. Qualitative research carried out on behalf of the Gambling Commission by Revealing Reality, interviewed a range of young people in order to understand playing habits and what influences young people's play. Although based on a small survey of young people, one of the anecdotal findings reported was that "young people typically stuck to how much they were spending on the draw based games, however scratchcard playing was more likely to prompt additional spend". Some of those surveyed believed that the pace of draws is key to limiting the risk associated with playing the National Lottery.
- 3.36. The survey data suggests that the majority of people did not support 16 and 17 year old play of National Lottery games. While this is not quantitative evidence of risk of harm to 16 and 17 year olds from playing the National Lottery, the finding should be considered in view of the National Lottery's special status as a mass participation activity in the UK, often considered part of the fabric of UK life.

³⁵ Sample size of c.1,000 people who were nationally representative of UK adults aged 16 and over.

4. Proposals

4.1. Having considered the current position, evidence and views as set out in this document, the government has assessed three potential options:

- **Option 1** - Do nothing, retain the minimum age of 16 for all National Lottery games
- **Option 2** - Raise the minimum age to 18 for National Lottery instant win games (i.e. scratchcards and online instant win games)
- **Option 3** - Raise the minimum age to 18 for all National Lottery games

Option 1 - Do nothing, retain the minimum age of 16 for all National Lottery games

For

- 4.2. There is no evidence that play of National Lottery games by 16 and 17 year olds has a significant risk of harm. There are 16 and 17 year olds who enjoy playing National Lottery games in a responsible manner and maintaining the age limit at 16 will allow them to continue to play National Lottery games and contribute to good cause returns.
- 4.3. The National Lottery is safe and responsible and involves a lot of players spending small amounts of money. The National Lottery has a lower risk of harm than other commercial gambling products and there are also already robust player protections in place to ensure the safety of all players. Current regulations mean that the Gambling Commission take into account the requirement for all National Lottery games, including instant win games, to be appropriate for participation by 16 and 17 year olds when making regulatory decisions.
- 4.4. Retention of the status quo means that National Lottery revenue from 16 and 17 year olds would continue to support contributions to good causes. It would also not result in any reduced income to the other beneficiaries of National Lottery income or any cost to retailers or businesses relating to training and updating necessary marketing materials and products.

Against

- 4.5. There is evidence from the Health Survey that suggests there is a slightly higher risk of problem gambling from some National Lottery games than others. This option overlooks some of the similarities between instant win games and commercial gambling products and the trend of growth in instant win games.

- 4.6. If no action is taken and there is a subsequent increase in the risk of harm to 16 and 17 year olds playing National Lottery games there will be a risk that some elements of the National Lottery portfolio lose their distinct status compared with commercial gambling products, although all National Lottery games will continue to return money to good causes - a defining feature of the National Lottery. It is vital for the success of the National Lottery and the continued support of good causes that the National Lottery does not pose a risk of harm to young people.
- 4.7. The scope to explore alternative player protection measures for 16 and 17 year olds is limited. For example, it is not possible to implement some of the additional protections that are in place for online games for retail-based sales. Furthermore, maintaining the age limit at 16 may limit the scope for innovation in the online instant win game channel in the next National Lottery licence period.

Option 2 - Raise the minimum age to 18 for National Lottery instant win games (i.e. scratchcards and online instant win games)

For

- 4.8. As stated previously, it is clear that the risk of problem gambling associated with National Lottery games is low, but the health survey data indicates that the risk of harm is slightly higher for scratchcards (an instant win game) than for draw-based games. National Lottery instant win games have some similarities in terms of feel, look and game characteristics to commercial gambling products. Gambling activities that provide an opportunity for high frequency gambling and offer numerous opportunities to participate are more likely to be associated with problem gambling. This option would bring the minimum age for instant win National Lottery games into line with products that have some similar characteristics such as speed of play and instant gratification.
- 4.9. Draw-based games have very different characteristics to instant win games. Draw-based games have limited scope to encourage excessive play as participants buy tickets in advance and then wait for the draw to be made. This removes instant gratification from the experience and minimises the scope for chasing losses. Other characteristics of the draw-based games which support responsible gambling behaviours are the lower frequency of draws, limit on the number of draws and the much lower win rate (i.e. high odds). Furthermore, some evidence from the Health survey indicates a link between wellbeing and playing draw-based National Lottery games, which was not found with scratchcards and the other gambling activities considered.

- 4.10. National Lottery sales have shifted in recent years leading to a decline in the proportion of draw-based game sales and an increase in the proportion of scratchcard sales. This trend is seen in the relative proportions of 16 and 17 year old sales. Despite this difference in sales, draw-based game sales contributed around £4m for good causes, compared to scratchcards which contributed £3m. This option would therefore have less of a reduction on the contribution of 16 and 17 year olds to good cause returns than Option 3, whilst still responding to the changes in the balance of games within the portfolio, player behaviour and technology.
- 4.11. The change in policy would ensure that younger players are protected in the future from games associated with slightly higher risks, whilst allowing for continued participation and enjoyment of the lower risk National Lottery draw-based games and the subsequent support of good causes.

Against

- 4.12. The Gambling Commission review each new game or product proposed by the National Lottery operator and there are robust player protection policies already in place to protect National Lottery players from harm and ensure that all games are appropriate to play for 16 and 17 year olds. This thorough scrutiny and oversight, combined with the limited evidence to suggest that there is a risk of problem gambling related harm for 16 and 17 year old players of instant win games, could mean that some consider the proposed changes to be pre-emptive.
- 4.13. This option would reduce good cause income from sales of instant win games to 16 and 17 year olds. This option would also result in some cost to retailers and affected businesses in the form of lost income and transition costs. However, we consider that such costs and impacts would be low. Further information is set out in the accompanying impact assessment. The planned timing of any change (to coincide with the start of the fourth licence in 2023) would also enable businesses to minimise cost of printing new product materials as existing content is likely to be refreshed, updated or revised to coincide with the start of the new licence.

Option 3 - Raise the minimum age to 18 for all National Lottery games

For

- 4.14. The age of 18 is widely recognised as the age at which one becomes an adult, gaining full citizenship rights and responsibilities. Taking this course of action would bring the National Lottery in to line with the minimum age for participating in the majority of other gambling products and other age restricted items such as tobacco and alcohol. It would also bring the United

Kingdom into line with the majority of similar international jurisdictions as referenced in the Gambling Commission research.

- 4.15. This option, by prohibiting play to anyone under the age of 18, would remove the risk of problem gambling related harm for 16 and 17 year olds from playing the National Lottery³⁶. Additionally, based on the qualitative data from the Gambling Commission survey, a majority of respondents in the UK disagree with the current age restrictions.
- 4.16. A consistent age limit across National Lottery games is likely to be easier to administer and would reduce the potential for confusion over age limits by those selling National Lottery games, though this currently exists in relation to a range of retail products available for purchase with differing age limits. For example, although a person must be aged 16 or over to buy National Lottery games, retailers must carry out checks to ensure customers are aged 18 or over in order to purchase alcohol³⁷ or fireworks³⁸. All of these products might reasonably be available for purchase from the same retailer (e.g. a supermarket).

Against

- 4.17. Increasing the minimum age to 18 for all National Lottery games could be considered a disproportionate response as there is little evidence to suggest that National Lottery games are associated with gambling related harm in 16 and 17 year olds players. This is particularly the case for draw-based games that do not share the characteristics of instant win games such speed of play and instant gratification which are associated with a higher risk of harm. This option would act to increase the minimum age for draw-based games without evidence that there is a risk of harm to 16 and 17 year olds from playing these games.
- 4.18. This option would reduce good cause income from the sale of all National Lottery games to 16 and 17 year olds. Increasing the minimum age to 18 for all National Lottery games could also risk alienating consumers who understand the National Lottery to be safer and distinct from other forms of gambling. This policy change could undermine the distinction between the National Lottery and commercial gambling and result in a decline in interest and sales from those over the age of 18. This could therefore also risk returns to good causes through declining sales.
- 4.19. The change in policy would prevent young people participating in the National Lottery draw-based games and supporting good causes in a similar way in which they do when they buy charity raffle tickets.

³⁶ The risk of unlawful underage play would remain.

³⁷ Licensing Act 2003

³⁸ Fireworks (Safety) Regulations 1997

5. Next steps

- 5.1. We welcome all views on the options set out. In particular, we are keen to hear from retailers and lottery operators in relation to the consequences of any change to the minimum age on their business. This consultation is being conducted via an **online survey and will close on 08 October 2019**. We ask that you please respond via the link [here](#). The key questions that will be considered in the survey are listed in **Annex A**.
- 5.2. Subject to the outcome of consultation, changes to the minimum age would be implemented and come into force in parallel with the start of the new fourth National Lottery licence in 2023. We are consulting on proposed changes to the minimum age for National Lottery games now to ensure that the details of potential changes are clear ahead of the competition process for the fourth licence. If, following consultation, evidence of harm to 16 and 17 year olds emerges, the government will consider whether changes to the minimum age should come in to force before 2023.
- 5.3. Section 12 of the National Lottery etc. Act 1993 allows the Secretary of State to amend the minimum age for playing National Lottery products using secondary legislation by negative resolution. Regulations within section 12 impact on both the purchase and sale of National Lottery games. In keeping with other age restricted products and the current legislation on the minimum age for buying and selling National Lottery games, we are minded to have consistency in the age at which a National Lottery game can be purchased and sold. If the minimum age for *buying* different National Lottery games varied depending on game type (i.e. Option 2 in this consultation), then the minimum age for *selling* these games would reflect this difference.
- 5.4. Looking ahead, the government believes it is important that there is parity on the minimum age for comparable society lottery products. We intend to consider this, in consultation with the industry. Some background and further information on society lotteries can be found in **Annex C**.

Annex A - Consultation questions

We welcome all views on the questions set out. In particular, we are keen to hear from retailers and lottery operators in relation to the consequences of any change to the minimum age on their business.

This consultation is being conducted via an **online survey and will close on 08 October 2019**. We ask that you please respond via the link [here](#). The key questions that will be considered in the survey are listed below.

Q1. Do you think the minimum age for any National Lottery product should be changed?

- No - the minimum age should remain at 16 for all National Lottery games
- Yes - the minimum age should be increased to 18 for National Lottery instant win games (scratchcards and online instant win games) only
- Yes - the minimum age should be increased to 18 for all National Lottery games

Q2. Do you have any research or statistical evidence to suggest that there is a greater risk of harm from certain types of gambling (e.g. draw-based or instant win)?

Q2. If the minimum age were to be increased, do you anticipate any transition costs?

Q4. If you have any further evidence or data you wish to submit for consideration, please provide it here:

Annex B - Regulation

The Secretary of State and the Gambling Commission are charged, under s4 of the 1993 Act, with the same overriding duties:

- to ensure the Lottery is run with all due propriety;
- to ensure the interests of participants are protected;
- subject to these to ensure that returns to good causes are maximised.

The Gambling Commission is an independent arms-length, statutory body responsible for awarding licences to run the National Lottery, as well as being tasked with regulating it to ensure the above objectives are met. The Gambling Commission has powers to grant a licence to run the National Lottery and licences³⁹ for each game, or class of games, promoted as part of the National Lottery.

The Gambling Commission awarded Camelot a ten year licence⁴⁰ to run the National Lottery in 2009. In March 2012 this was extended by four years and is therefore due to expire in 2023. Work is underway between DCMS and the Gambling Commission to look at policy and licence design issues for the next licence to run the National Lottery.

Where the operator proposes to introduce a new game, it must obtain a separate licence for that game from the Gambling Commission.⁴¹ Proposals to licence new games must include supporting evidence. Before the Gambling Commission licence additional games, or approve any changes and amendments to a game licence, they examine a range of issues including:

- player protection
- projected returns to good causes
- protection of player funds
- legality
- impact on the National Lottery brand and intellectual property.

For new game proposals and changes to existing games, the operator provides a player protection report, this includes an assessment of the product characteristics using GAMGARD⁴², the operator's game design governance group assessment, identification of other risks (and proposed mitigations) and relevant academic research, including the specifically sought views of relevant academics where appropriate.

³⁹

<https://www.gamblingcommission.gov.uk/for-the-public/National-Lottery/National-Lottery-licences/Licence-to-run-the-National-Lottery.aspx>

⁴⁰ <https://www.gamblingcommission.gov.uk/PDF/NL-licences/legal-third-licence-up-to-date.pdf>

⁴¹

<https://www.gamblingcommission.gov.uk/for-the-public/National-Lottery/National-Lottery-licences/Licence-to-run-the-National-Lottery.aspx>

⁴² An online tool which assesses the risk levels of a game's structural and situational characteristics.

The Gambling Commission will then assess the risks with regard to its statutory duties as set out above. Generally, the Commission will expect any significant commercial development (e.g. a change to a game; or the introduction of a new game) that could negatively impact player protection to be accompanied by a corresponding enhancement in player protection.

For example, the gradual expansion of online instant win games have led to requirements⁴³ to enhance the associated player protection measures in place. More recently, the introduction of behavioural analytics have allowed the operator to identify excessive and at risk play and target interventions to encourage responsible play.

Player protection

The Gambling Commission adopts a variety of measures to monitor, assess and challenge the National Lottery operator's player protection performance.

Player protection strategies

The current licence requires the operator to implement player protection strategies to prevent underage and excessive play⁴⁴. The player protection strategies⁴⁵ must be approved by the Gambling Commission.

The strategy to prevent underage play must in particular deal with game research and design, marketing, public information and education, accessibility, staff and Distributor training, monitoring and support for the treatment of problem gamblers aged under 16.

The current National Lottery operator's consumer protection strategy⁴⁶ outlines a series of measures designed to meet the above requirements (i.e. to prevent sales of National Lottery games to under 16s and to prevent excessive play). Consumer protection measures in retail outlets include:

- **Mandatory training for all new National Lottery retailers** – covering responsible play, underage sales prevention, treatment referral and wider consumer protection issues.
- **Regular communication with retailers** – such as leaflets and terminal messages on underage play prevention and responsible play.
- **Operation Child programme** – mystery shopper visits are carried out by young people aged 16+ who might reasonably expect to be challenged for ID. The programme is a tool used to monitor the compliance of retailers as a result of the training and awareness the operator has in place to help prevent sales to underage players. The results are reported to the Gambling Commission on a quarterly basis.

⁴³

<https://www.gamblingcommission.gov.uk/for-the-public/National-Lottery/National-Lottery-licences/Interactive-Instant-Win-Games.aspx>

⁴⁴ Para 7.1 <https://www.gamblingcommission.gov.uk/PDF/NL-licences/legal-third-licence-up-to-date.pdf>

⁴⁵ <http://www.camelotgroup.co.uk/what-we-do/promoting-responsible-play>

⁴⁶ <https://www.national-lottery.co.uk/responsible-play/consumer-protection-strategy>

The National Lottery operator reserves the right to remove the retailer's terminal and terminate their retail agreement at any time for a failure to implement sufficient safeguards.

Consumer protection measures for digital platforms include:

- **Age verification** - online play is account based which enables the operator to conduct age verification checks prior to enabling a player to purchase a National Lottery product. The National Lottery operator uses an independent organisation to verify a player's age, which provides an Interactive Age Checked accreditation.
- **Account management tools** - The National Lottery operator provides verified players with information and tools to help them make informed decisions about their play and avoid excessive play. These include account limits, play limits, wallet load limits, session time reminders, online self-exclusion and short-term breaks.
- **Behavioural analytics** - Account based play provides opportunities for the operator to use customer data to identify potentially harmful behaviour using algorithms and to target interventions which aim to reduce the risk of harm. The National Lottery operator aims to spot patterns of behaviour that suggest a player is exhibiting signs of problem play or is at risk of problem play. The operator then provides different communications to encourage a positive change in behaviour and continue to review and update the interventions to ensure they are as effective as possible in reducing excessive play and encouraging safe play.

Monitoring

The Commission holds regular meetings with the operator to discuss its player protection strategy and performance which covers underage play, problem play and 16-17 year old play. This includes receiving quarterly updates on participation by 16-17 year old players by product category (draw based games, scratchcards and online instant win games).

In respect of underage play in the retail market, the Commission receives monthly reporting on the performance of the operator's test purchasing regime (11,600 visits per annum) with the current pass rate being in the region of 90%. The Commission also conducts an annual participation survey concerning underage play and assesses the risks of underage play on a quarterly basis.

Enforcement

The Gambling Commission's enforcement policy⁴⁷ sets out its approach to ensuring the National Lottery operator complies with the terms set out in the licence, in accordance with its statutory duties. The Commission's powers include the ability to require an independent review, to impose new or amended licence conditions, to impose a financial penalty and to revoke a licence.

⁴⁷ <https://www.gamblingcommission.gov.uk/PDF/NL-enforcement-policy.pdf>

Other requirements

The National Lottery operator is also required to comply with the Advertising Standards Authority CAP Code and BCAP Code⁴⁸. The Codes promote responsible marketing, in particular the need to protect young people under 18 from being harmed by any irresponsible advertising.

The licence to offer National Lottery scratchcards sets out a code of practice on the design of scratchcard games⁴⁹. It places constraints on references and imagery of gaming and betting related themes on scratchcards and details the operator's responsibility to minimise the risk that a new scratchcard game will have particular appeal to under 16s.

These measures and scrutiny have supported the status of the National Lottery in maintaining its position as a mass participation responsible form of gambling. The current provisions in relation to player protection, monitoring, enforcement and a range of other regulatory issues will be considered by the Gambling Commission as part of the competition to award the fourth National Lottery licence.

⁴⁸ <https://www.asa.org.uk/codes-and-rulings/advertising-codes.html>

⁴⁹ <https://www.gamblingcommission.gov.uk/PDF/NL-licences/Scratchcard-games-licence.pdf>

Annex C - Society Lotteries

There have been legal restrictions placed on the age at which lotteries can be played for more than 60 years, these restrictions have always applied to persons under the age of 16.

Society lotteries are promoted for the benefit of a non-commercial organisation such as charities, or sport, athletics or culture clubs, under the Gambling Act 2005. They raise money for specific good causes and are limited in size in order to ensure they remain distinct from the National Lottery. This contrasts with the National Lottery, which was established as a UK-wide lottery to benefit a wide range of good causes. Society Lotteries are generally characterised by lower prizes and low frequency of draws.

While society lottery games have a similar style to National Lottery games and include both draw-based and instant win games, the size of revenues are very different, particularly for instant win games.

In 2017/18 the National Lottery draw-based games channel generated sales of £4.1 bn and the instant win game market generated sales of £2.8bn. In comparison, in 2017/18 total society lottery sales were an estimated £683m.⁵⁰ Estimates for the proportion of sales made up from instant win games was an estimated £8m in 2017 and £5.4m in 2018. Participation data by age, and subsequent estimates of the proportion of sales that can be attributed to 16 and 17 year olds are not available for society lotteries.

However, even though the relative market sizes are vastly different we would want to ensure that the proposed increase to the minimum age for National Lottery games would not create a discrepancy with society lotteries.

Subject to the outcome of the consultation, the proposed changes to the National Lottery minimum age would not come into force until the start of the fourth licence in 2023. Looking ahead, the government believes it is important that there is parity on the minimum age for comparable society lottery products. We intend to consider this, in consultation with the industry.

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<https://www.gamblingcommission.gov.uk/news-action-and-statistics/Statistics-and-research/Statistics/Industry-statistics.aspx>