

SEVEN L. LIMITED

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Mr Lindsay Hoyle M.P.
House of Commons,
London,
SW1A 0AA

Our Ref:

Your Ref:

Date: 21st January 2004



Dear Mr. Hoyle

It is certainly strange writing to someone with the same surname I. Not only that, I understand that our wives have the same Christian name (although spelt differently) and both joined Adlington Weight Watchers at the same time!

I live and have a business based in Chorley. My business supplies Weekly Draw lottery systems to Sports Clubs and Charities throughout the U.K., may I add, including Warrington Wolves R.L.F.C., who I know is close to your heart.

I had a few meetings with your father over the years, in conjunction with Alf Davies, who you may know, regarding Lottery Legislation.

I am also a member of the Executive Committee of the Lotteries Council, which is a trade organisation that has earned a great deal of respect from both the Gaming Board and the Home Office over the years and more latterly from Sir Alan Budd's Gambling Review Commission.

We were quite flattered when almost all the recommendations we put to the Gambling Review were taken on board, i.e. the allowance of roll-overs (which the National Lottery can do, but at present Society Lotteries can't), increased stake and prizes, a relaxation of the prizes and expense percentages etc. I could argue that the type of Lotteries that we are involved with should primarily be considered as Fund Raising rather than Gambling but that is a pointless argument but I would ask that you possibly bear it in the back of your mind particularly if there is an argument that our type of lottery is any threat to the National Lottery, that could never be the case.

However, as a result of the Review, the Government has now published its Draft Gambling Bill. After ploughing through this lengthy tome and trying to decipher "legal speak" there are several points that have been included which I am concerned about and would ask you to consider and speak up for.

I will be as brief as possible but would be happy to expand on any points if you require further clarification at a later date.



1. Part 5, Section 77, (2) *The first requirement is that no draw in a lottery promoted in reliance on the licence may take place unless at least 24 hours have elapsed since the last sale of a lottery ticket in respect of which a prize may be allocated in the draw.*

This means that Bolton Wanderers, Warrington Wolves and all the other sports clubs who do Golden Gamble, half time draws will be illegal. Also, weekly draw type schemes like the one we supply to Warrington will not be able to be sold, or the stake money collected in the traditional way on the evening before a draw.

Section 77 (7) – This clause relates to the wording on a lottery ticket, which is fair and reasonable, however, the type of lotteries we supply are fixed number membership type lotteries where on joining the lottery, the customer or "member" is given a membership card showing their numbers which will be entered into each lottery as long as they continue paying their weekly stake money. No tickets change hand on a weekly basis, we are essentially selling "chances" not tickets.

We endeavour to supply all the statutory details required on the membership card but the inclusion of a date for each lottery as the clause requires is not practical due to the amount of space available on the membership card.

The Draft Bill does not acknowledge that a lottery can be run without the use of a lottery ticket although Section 208 (1) goes on to define a Lottery ticket and the wording could imply that our "membership cards" are lottery tickets. If this is the case, it is impractical to follow the requirements of Section 77 (7) for the reason outlined above.

Section 211, Rollover (2)

This section, as I understand it, means that, although a rollover is possible, it is only limited to the purchasers of chances in the original lottery that the prize was not won. This is unlike the National Lottery, where anyone is allowed to purchase a ticket in a Rollover Draw.

When the Lotteries Council stated that we would like a rollover facility, similar to the national Lottery, we took a responsible attitude in that we thought that the prize limit should be capped (£25,000 max) which is covered in the Bill, thus posing no threat to the National Lottery.

This section completely negates our intentions, if I read it correctly.

Section 213 External Lottery Manager.

The status of External Lottery Manager came into being after the 1993 amendments to the 1976 Lotteries and Amusements Act.

As I understand it, this status was designed to license companies and individuals, like Littlewoods etc. who fully operated lotteries on behalf of several organisations, whilst charging a management fee they took over all aspects of the lottery from organisation to sales and administration, all the Charity or beneficiary had to do was to put their name to the lottery and pick up the cheque for the proceeds at the end.

This clause in the Bill is so vague that it implies that my company, who only supply administration software, may have to register (at great expense) to become an External Lottery Manager whilst having no involvement in any of the day to day running of any of our customers lotteries.

Finally, a few comments on the Bill which affects small Society Lotteries in general. In the original consultation with the Gambling Commission, we were very concerned about Prize Draw competitions. These are not lotteries although they may come in the



guise of a lottery ticket where each one is a winner and the prize is worth less than the price of the phone call to claim the prize. Also, prize competitions where the entry route is determined by a "skill" competition, usually in the form of a qualifying question which has no degree of difficulty whatsoever (e.g. What town do Warrington Wolves play in? a) Wigan, b) Warrington or c) Workington !!). In fact the old Act used to require a "substantial degree of skill" now the Bill only asks for a "degree of skill". Prize competitions and "pseudo -lotteries" are allowed to be run by commercial operations for profit. All the lotteries that we and my customers are involved with are to raise funds for good causes, i.e. Sports clubs and Charities, under strict legislation. I object to Prize competitions on moral grounds because I think that they delude a lot of people, particularly the young and the elderly, but I also see it as a threat to small lotteries when competing for the leisure pound. Below is an example of the inequality between regulated Lotteries for good causes and commercial gain Prize Competitions.

Society Lotteries	Prize Competitions
Require registration	No registration required
Have to operate within limits on stake money, prizes and expenses	No limits
Have to submit returns	No returns or accountability
Have to pay at least 20% to the good cause	No donation required
Cannot be sold to or by a person under 16	No restriction on age
Cannot be sold in the street or public place unless from a kiosk	No restrictions apply
Lottery offences – even minor ones – can carry criminal convictions	Very unlikely competition infringements will be treated as criminal offences – other than fraud

Hopefully you will agree that this needs a more serious inspection whilst this Bill is in draft stage.

I hope you can consider the point I have made and will speak up for them whilst the Bill is going through the various committee stages in the hope that we can get these points sorted out.

I would be happy to meet with you at any time if you require any further explanation.

In the meantime, Up the Wires (or is it Wolves now?) and the Wanderers !!

Yours sincerely,

Stephen Hoyle
Managing Director