

ORKNEY ISLANDS AREA LICENSING BOARD

GAMBLING ACT 2005

INFORMATION/GUIDANCE **FREE DRAWS AND PRIZE COMPETITIONS**

See also the Board's Information on Small Society Lotteries at www.orkney.gov.uk (October 2007)

The Gambling Act 2005 can be accessed on the Internet at www.opsi.gov.uk

Further information can also be accessed on the Internet at the following websites –

Department for Culture, Media and Sport – www.culture.gov.uk

Gambling Commission – www.gamblingcommission.gov.uk

Scottish Government – www.scotland.gov.uk

Free draws and prize competitions are free from statutory control under the Gambling Act 2005. A free draw is one where there is no cost of entry for the participant. Detailed information on when a draw is free is available by referring to Schedule 2 to the Gaming Act 2005 (see Internet address above).

Prize 'skill' competitions are distinguished from lotteries in that they depend, in part, on the exercise of skill, judgement or knowledge by participants and do not rely on chance, although some prediction schemes where success can be influenced by the use of skill or judgement may amount to betting.

Further information on characteristics which set apart skill competitions from lotteries is available by referring to section 14 of the Gaming Act 2005, which provides that genuine prize competitions must be reasonably likely to –

- Ø prevent a significant proportion of people who wish to participate from doing so; or
- Ø prevent a significant proportion of people who participate from receiving a prize.

If these barriers to entry and success can be shown, the process will not be deemed to rely wholly upon chance and will, therefore, not be defined as a lottery. Licensing authorities which may be concerned that a competition may, in fact, be a lottery can contact the Gambling Commission, which may ask the organisers to provide evidence of the number of people eliminated from participation.

Anyone requiring further information about this topic should contact the Legal Clerks' Office at the Council Offices, Kirkwall, Orkney KW15 1NY –

by email licensing@orkney.gov.uk

by telephone: 01856 873535 extensions 2229 / 2232

by fax: 01856 876941