



**Call for evidence: Review of Gaming Machines and Social Responsibility Measures
Friday 2nd December 2016**

1. Background

- 1.1 We are grateful for the opportunity to respond to the call for evidence from the Department for Culture, Media and Sport (DCMS). The focus of People's Postcode Lottery's (PPL) response relates to questions posed on television advertising. We commend the government's aim of striking the right balance between enabling socially responsible growth across the industry and the protection of consumers and communities.
- 1.2 PPL is a charity subscription lottery open to players across Britain.
- 1.3 Since 2005, our players have raised £154million for charities, supporting over 2,000 grassroots groups and local projects. We also support over 60 larger charities, including Missing People, The Royal Voluntary Service, Girlguiding UK, the National Trust, and the Science Museum Group. Most funding provided is unrestricted, meaning charities have the freedom to target support where it is needed most. This forms part of our ambition to be a reliable, long-term funding partner to charities.
- 1.4 During 2016, players of PPL provided £17 million worth of funding to DCMS funded charities and good causes.
- 1.5 As a not-for-commercial gain private operator, with charitable giving at the heart of what we do, we are proud that 30% of each ticket goes directly to charities. This is well above the 20% minimum statutory contribution outlined in the Gambling Act.
- 1.6 It is also important to note that when prospective players call PPL's Customer Journey Team they are informed of the percentage contribution made to good causes from each ticket. Additionally, as part of an after sales service, called "Welcome Calls", players of PPL are contacted by Customer Journey Agents and reminded of the percentage contribution made from each ticket and the good causes this helps support in and near their communities.
- 1.7 In terms of players' motivation for participating in PPL, there is a great deal of anecdotal evidence to suggest this is primarily related to supporting good causes and enjoying the opportunity to win prizes.



2. Advertising

- 2.1 The PPL charity fundraising model is heavily reliant on TV advertising, with it accounting for over half of all media spend. PPL's adverts are an incredibly important aspect of our business model as they constitute 86% of player acquisitions, which has enabled PPL to raise £154million for charities and good causes since 2005.
- 2.2 PPL takes social responsibility and gambling awareness very seriously. With 40% of our TV advertising taking place during the day time and 60% of our advertising taking place between 5.30pm and 11pm, we are aware that this is largely pre-watershed and accessible to under-16s.
- 2.3 Our TV adverts consistently promote charities and good causes and we believe that they do not pose a threat to children and other vulnerable groups. In line with our commitment to being a socially responsible society lottery operator, PPL has a strict age verification process in place for when players sign up. Our model does not allow players to sign up and play immediately, with tickets being purchased at least 5 days before the first draw, so there is no prospect of, or advertising of, the chance for an instant win. We also impose a limit of 3 subscriptions per transaction, a total of £30 per month.
- 2.4 PPL directly contacts the small proportion of players with 6 subscriptions or more on a regular basis to ensure they are aware of the financial commitment they are undertaking. This helps to check that players are not spending more than they can afford. However, it is important to note that the current player base holds an average of 1.13 subscriptions.
- 2.5 Based on successive gambling prevalence surveys conducted across Britain, society lotteries have regularly been cited as one of the safest forms of gambling. This is reinforced by a social responsibility risk assessment of PPL, undertaken by Professor Mark Griffiths (2010), which highlights that:
- PPL is rated as a 'low risk' game for vulnerable players;
 - PPL does not appear to have any specific appeal for under-aged players; and
 - PPL can be considered a very safe game in comparison to almost any other game currently on the market.

(Source: Griffiths, M (2010) A Social Responsibility Risk Assessment of the People's Postcode Lottery. International Gaming Research Unit).

- 2.6 While Professor Griffiths findings are undoubtedly welcome, PPL will continue to adopt and implement new and emerging best practices in social responsibility to ensure we meet our obligations as a lottery operator both now and into the future.



3 Conclusion

- 3.1 Society lotteries, like PPL, continue to represent a 'low risk' form of gambling as demonstrated by successive gambling prevalence studies.
- 3.2 Ticket sales generated through television advertising enable players of PPL to support charities and good causes. This is evidenced by the £154 million raised for charities and good causes since 2005 by PPL players.
- 3.3 A large part of PPL's television advertising is done pre-watershed. It is important that society lotteries are able to continue to do this as long as they adhere to the strict social responsibility checks that PPL already has in place. If PPL was unable to advertise pre-watershed then crucial funding for a wide range of charities and good causes would be put at risk.