



Department
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Wendy Chamberlain MP
House of Commons
London
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Dear Wendy,

I am writing to set out the Government's position on the statutory limits for society lotteries and provide an update on prize draws. This follows the commitment made during the Second Reading debate of your Private Member's Bill [Gambling Act 2005 (Monetary Limits for Lotteries) Bill], to make a further statement on society lotteries before the Summer Recess.

I have updated Parliament via a Written Ministerial Statement [here](#) and I am copying this letter to other Members who spoke at the debate in January.

Firstly, I wanted to take the opportunity to thank you for your engagement on this topic and for the time taken to bring forward the Private Member's Bill.

Society lotteries

Society lotteries are a vital fundraising tool for many charities, community groups, sports clubs and other non-commercial organisations. We want to see them continue to thrive, alongside the National Lottery.

In December 2023, the previous Government announced the intention to commission independent research to look at the scale of the society lotteries sector, the relationship between society lotteries and the National Lottery, and the impact of any future changes to the sales limit. The research has now concluded and the results have informed our considerations on the next steps.

The research, which has been published today, found that the current annual sales limit of £50 million per operating licence only impacts one operator, the People's Postcode Lottery (PPL) with no other operator having annual sales of more than £15 million in the 2023/24 financial year. The report, [published here](#), found that increasing the annual sales limit to £100 million could result in a decrease in National Lottery participation with a subsequent reduction in National Lottery funded good causes and Lottery Duty receipts. The research estimates that



annual National Lottery sales could fall by between £25 million and £148 million. The research found that the way in which funding to good causes was distributed would change, but there would be an increase in overall funding to good causes, driven by higher returns by society lotteries outweighing losses to the National Lottery.

The research found that the current sales and prize limits on society lotteries, last changed in 2020, are not a barrier to society lottery sector growth. Overall sector sales have increased by 27% from 2019/20 to 2023/24, and PPL sales by almost 30% over a similar period. Despite this significant level of growth, it is disappointing to see that there has not been a corresponding growth in returns to good causes. Since 2021, sector prizes have increased by nearly 28%, and expenses by over 25%, but returns to good causes have only grown by 15%.

This Government wants to ensure we have a system focused on one national lottery whilst continuing to support the hundreds of society lotteries that exist. The National Lottery has played a vital role over its 30 years. It has raised over £50 billion for good causes across the arts, heritage, sports and community sectors; awarded over £95 billion in prizes; and created more than 7,400 millionaires. In 2023/24 the National Lottery had sales of £7.8 billion providing £4.5 billion in prizes and £1.8 billion to good causes. In addition, the National Lottery raised £934 million in Lottery Duty.

Given the potential negative impact of increasing the society lotteries limits on the National Lottery and the current transition to the Fourth National Lottery Licence, the Government has taken the decision to not make further changes to society lottery limits at this time. The National Lottery has entered its new operating licence with a significant and complex transformation programme. We want to ensure stability, and therefore it is not the right time to be making further changes to society lotteries.

This research has put us in a strong position to consider policy changes in the future. In the meantime, where society lotteries reach the current sales limit there are other options open to them to provide more invaluable unrestricted funding to the charities and good causes they support.

Prize draws

The Written Ministerial Statement also provides an update on the Government's position on the growing market of prize draws.

This Government has made it clear that we want people who participate in prize draws to be confident that proportionate protections are in place. I am therefore pleased to announce that we will be introducing a Voluntary Code for prize draw operators later this year. This Voluntary Code will help provide a uniform approach across the sector to strengthen player protections, increase transparency and improve accountability of prize draw operators. My department has worked closely with the sector over the past six months to develop this code. The work is also underpinned by the [results of independent research](#) commissioned in 2023.

This approach allows us to take swift action collectively with the sector and the success of this code will dictate whether this Government decides to take further action (including legislation).

I am copying this letter to other Members who spoke during the debate on 24 January 2025, and a copy of this letter will also be deposited in the Libraries of both Houses.

Thank you again for your engagement on this important issue. I appreciate that this is not the outcome you hoped for, and I am happy to meet to discuss this if you would find it helpful.

With best wishes,

A handwritten signature in black ink, appearing to read 'Twycross', written in a cursive style.

Baroness Twycross
Minister for Gambling and Heritage