

JERSEY GAMBLING COMMISSION

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Marcus Liddiard
Chair of the Association of Jersey Charities,
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Friday, 13th December 2024

Dear Mr Liddiard

Over the last year matters have presented themselves which persuade the Jersey Gambling Commission to revise the Code of Conduct for Social and Charitable Gambling (the Code of Conduct) to clarify the treatment of funds received from players/purchasers of tickets, especially in relation to lotteries.

Specifically, in the exceptional case where a charity or society enters insolvency, the promoter of the lottery should ensure that the charity or society has the ability to repay stakes/ticket costs back to players/ticket purchasers.

It is an important concept for promoters of lotteries to understand that monies raised from ticket sales do not belong to the charity or society until after the draw has taken place, and these funds should be accounted for separately. There must be a mechanism for reimbursement in the cases of insolvency, as there is a risk that ticketholders may not get their money returned where society or charity funds have been co-mingled with lottery takings prior to a draw taking place.

The Commission does not intend to bind the sector in red-tape, but it does mean to stress the point that a failure of a lottery and the financial loss to customers would significantly tarnish confidence in such fundraising methods and ultimately damage the reputation of the charity or society.

The Commission has already issued advice on how cancellations and postponement of lotteries should be dealt with in its Advice Note: Conducting Lotteries:

Cancellation and Postponement

A lottery may be cancelled provided the Promoter notifies all participants and returns all monies to these individuals. If the lottery is regulated by Permit, the Promoter must contact the Commission before proceeding with the cancellation and provide legitimate reasons why the lottery should be cancelled. Cancelling a lottery requires a notice period of at least two weeks before the published draw date. The Promoter must supply the Commission with evidence that all participants were contacted and had monies returned to them. Monies cannot be retained.

Any **postponement** must be notified to the Commission along with all participants in the lottery. The Promoter must have a valid reason to postpone a draw date. A postponement may not be used as a method to sell more tickets, build up the prize fund, or await the donation of bigger or better prizes.

The Commission does not require societies and charities to open separate bank accounts for the retention of player funds, but accurate record keeping is essential, and the funds need to be clearly identifiable in the society or charity's records as belonging to ticket purchasers until the draw has taken place.

The Commission therefore proposes to update the Code of Conduct by adding the following wording under the Record Keeping section of the Code:

Funds received from ticket sales must be accounted for separately and need to be clearly identifiable in the society or charity's records as belonging to ticket purchasers until the draw has taken place.

Another emerging trend is a disclaimer in the Terms and Conditions of lotteries which roughly states Ts&Cs can be altered without notice. This cannot happen if the alteration refers to the declared manner of conducting the lottery or series of draws; to do so would breach the transparency rule which is a guiding principle of the Gambling Commission (Jersey) Law 2010. The Ts&Cs can state that they may be altered **without consultation** but the customer must be made aware of any material alteration.

I would be very grateful if you would circulate this letter to your members.

Yours sincerely



David Evans
Deputy CEO