ANNEXES

Annex 1 Methodological overview

This Annex provides further detail on the methodology used to implement the research. Given the lack of existing knowledge about the scale, scope and structure of the PDC market, it was important to identify what businesses operate in the industry. Given the industry is unregulated and has no established industry body, the only feasible way to do this was through a thorough crawl of the open web.

Beyond this, the choice of methods used for this study was motivated by the research questions set out by DCMS during the procurement process. During the inception stage of the project some small changes to the scope and methods used for this study were agreed between London Economics and DCMS to maximise the value of the study. The range of research methods used ensured that, where feasible, evidence could be collected from multiple sources for each research question. The final set of research questions, as well as the methods used to address each is presented in the figure overleaf. Further detail on the individual research methods used as well as the methodology underpinning some of the calculations related to the PDC market can be found in subsequent annexes.

Figure 1 Mapping of research questions to methods

	Web-crawl	Consumer survey	Operator survey	Supported charities survey	Gambling charities survey	Stakeholder engagement	Desk research
Quantify and value the size and scale of the unregulated prize draws and competition market (both demand and supply)							
What is the rough size of the market in terms of number of operators and market share?	×	×					
Who is participating in these products? Demographic make-up (age, gender, income, region)		×					
What motivates participation in free prize draws? Contributions to good causes (where applicable) or the prizes?		×					
How do participants typically find these products?		×					
Who is offering them? What proportion are run on behalf of charities raising money vs purely for commercial purposes?	×		×				
Of those run on behalf of charities, what proportion of the proceeds go to charity?	✓		×	✓			
Why are charities using these and not other methods of fundraising?				×			
What regulation currently applies to them?						×	×
What are the key future trends for these products?		×	×	×			
What evidence is there, if any, of negative consequences from these products?							
Is there any evidence of gambling related or non-gambling related consumer harm?		×			×		
What is the typical spend by individual entrants, how does this compare to the value of the prizes?		×	×		×		
Of those who participate in free prize draws, how many participate in the National Lottery and society						1	
lotteries, and other forms of commercial gambling?		•					
How many times can users enter?			×				
Is there a minimum age Imit?	×		×				×
Are free prize draws conducted in a transparent way? What is awareness surrounding different entry routes and odds of winning?	×	×	×		×		×
What player protection measures do operators have in place?	×		1				1
Have any operators put in place measures to reduce access or help vulnerable groups or children?			1				
Are there any age checks?	×	1	1				
Is there evidence of unfair practices in the free prize draw market?		1	1		1	×	1
Is there evidence of particular appeal to vulnerable groups?		×			×		
Is there any evidence of harm according to the Problem Gambling Severity Index (PGSI)?		×			×		
What, if anything, would be the most effective and proportionate intervention to tackle these harms?							
Based on the evidence gathered, is there a case for government intervention to protect consumers							
when using these products?		•	*	•	•		
If so, what type and degree of intervention would be most effective?			×	×	 Image: A set of the set of the	×	
What would be the impact on UK businesses of any proposed intervention?			×				
What would be the impact on UK charities of any proposed intervention?			×	×			
What would be the impact on the negative consequences of these products?			×		 Image: A second s	 Image: A second s	
Is there a possibility of any unintended consequences from the proposed intervention?			×	×	×		

Annex 2 Web crawl

This annex provides an overview of the approach taken by glass.ai to developing the dataset of operators of PDCs as well as the associated London Economics activities involved in analysing the dataset.

Web crawl technology

This section provides detail on the approach used by glass.ai to conduct the web crawl.

Methodology

glass.ai's technology makes sense of vast quantities of written language, that is textual data – whether from company websites, news, social media, government or other sources. Web data is unstructured, fast-moving and hard to query at scale. The crawling capability tracks hundreds of thousands of topics, signals and other indicators of interest across billions of web pages, watching over more than 40 million organisations globally. To obtain rich textual information on companies, sectors, people and their interactions, the glass.ai crawler collates and analyses data only from the open web. An illustration of the sources reflected in the dataset is provided below.





To deliver a rich and comprehensive dataset to support the research, glass.ai developed and deployed a staged approach to delivery:

- Stage 1: Market Discovery Crawling applying AI technology and machine learning to crawl web sources and build a comprehensive database of companies within the UK PDC market. This built upon a bespoke crawling strategy, to help identify and typologize Prize and Competition companies, including inputs from the DCMS. It used a combination of sources and example companies to train and optimise language models, leading to the identification and categorisation of the UK PDC Market, at an individual company level.
 - □ Gathered information on existing market intelligence from the DCMS, to help determine the exact definition of a PDC operator and what constituted an appropriate match (incorporating the identification of false positive signals). This included the identification of known and in-scope companies that could be used to train the AI and form part of a training set (based on their semantic characteristics).
 - □ Completed discrete mobilisation research in addition to the above, to identify useful information sources on the open web, which were crawlable. This included pinpointing

sources that would help isolate prize and competition companies of value to the research and with a confirmed web presence, in the form of directories and also consumer review platforms (such as Trustpilot).

- □ Agreed taxonomies of keywords/phrases and other search criterion for market, with input from the DCMS and London Economics, which built on existing knowledge, published research or example organisations.
- Undertook initial crawling, to generate a holistic dataset from which to Identified any text that may suggest businesses were part of the market, driven by focused language modelling and keywords. The crawl drew from higher level website and open web detail, to determine relevance. A sample extract from this was shared, to highlight early results and test the validity of these. Feedback was obtained and used to confirm the characteristics of in-scope companies, and preferences on how the final data should be presented.
- Subsequent crawling was progressed to build a tighter market dataset and expand the detail within by way of additional data field inclusion. This leveraged adapted language models (as a result of sample feedback) to optimise the crawl and gather information on companies reflective of prize and competition activity. Supporting evidence was included to substantiate company level inclusion and the dataset formatted according to client preference.
- □ Validated the baseline market dataset through automated and manual assurance processes, to ensure quality of results and presentation. Supporting information was prepared (including a data dictionary) to enable effective data analysis.
- Stage 2: Deeper Evidence Gathering with a stable dataset created as part of stage 1, we undertook deeper crawling to identify evidence of company characteristics, across dimensions of interest and importance to the research (see below for specific indicators). This focused on understanding the potential risk of prize and competition play, adherence to legal requirements and the extent to which the industry has an association with charitable organisations (by way of fund raising, marketing and promotion etc). It also required the collection of company level contact information, to support primary research and surveys.
 - Undertook deeper crawling (additional sources, more detailed open web content, especially within company websites) to extract information relative to areas of interest. This built on a further taxonomy of keywords and phrases, to detect relevant information based in language (and in limited instances, graphics/images).
 - The data was gathered, cleansed and curated, alongside supporting evidence (in the form of URLs, textual snippets), to support validation and highlight provenance of the data. Additionally, counts were introduced to show the scale of relevant term matching, as a further measure of result robustness and the efforts of companies to be transparent.
 - Some adaptations were made to the dataset in a formatting and presentational sense, as a result of iterative DCMS and London Economics feedback. This was to support onward analysis and maintain a focus on the most relevant companies (i.e. non-core entities were removed, but retained in a separate datasheet, due to their broader research significance).
 - □ As a final step and to support primary research activity led by YouGov, contact details (for up to 3 persons of significance) were obtained, including name, role and individual email address. It is important to note that, given the nature of the market (somewhat

clandestine and with lesser LinkedIn presence than other sectors), coverage was incomplete. To mitigate this, general company email addresses were also provided, where possible.

Final QA, including refinements made to the format and presentation of the dataset were undertaken, before a final output was issued. The dataset is a scalable asset – that is it can be expanded upon with additional indicators of interest through further crawling, monitored to explore changes in the market and also act as a conduit for matching to other datasets (including those managed by the DCMS and Government departments).

Limitations

The open web provides a rich context around the activities of businesses. However, not all UK companies have a website, so our approach is limited to those that have an independent web presence. Whilst the crawler's capabilities are constantly being developed and optimised, reasons for some websites being unreadable include inactive sites/domains, the nature and detail of information disclosure and format.

When performing targeted research, a challenge when using specific keywords to identify activities is that if a relevant business doesn't list those words on their website. This can be mitigated by supplying a broad range of topics associated with the types of companies that need to be discovered and using semantic analysis to discover topics and content related to the supplied list. This approach has been followed here, through the development of curated sector taxonomies and drawing on local research inputs.

Outputs

The main output was a full dataset with the following fields:

Variable	Description
ID Organisation	glass.ai organisation identifier
Name	Name of company/organisation sourced from the
	web sources
Website	Website of the company/organisation
glass.ai Sector	Predicted sector of company/organisation based on web description and other criteria
glass.ai Sector Group	Higher level grouping of sector based on web description and other criteria
Description	Description of company/organisation's main activity based on web content
Location	Trading location of company/organisation in region read from the web (not always a full address)
Employee Range	LinkedIn account of company/organisation when available
LinkedIn URL	Range of number of employees read from web sources
LinkedIn Employee Number	Number from LinkedIn sources indicating number of employees

Table 1 Fields in web crawl dataset

Variable	Description
Registered Number	Company Registration Number based on Companies
	House record
Registered Name	Registered name of the company/organisation
	based on Companies House record
Registered Address	Registered address of company/organisation based
	on Companies House record
SIC Code Text	Primary SIC code of company/organisation with text
	description based on Companies House record
Last Accounts Date	Date of last accounts with revenues published
Revenue GBP x1000	Last revenue published when available
Incorporation Year	Year organisation was founded
DCMS Source	Marker if website in list of example companies
Fundraising or Platform or Aggregator	Marker if website is a fundraising or prizes and
	competitions platform provider or contains lists of
	other competition sites
No Current Competitions	Marker if website doesn't list any current active
	competitions
Trustpilot Rating	Average rating for site found on trustpilot
Trustpilot Reviews Count	Number of reviews on trustpilot
Evidence Terms	List of evidence terms found on crawl of website
	(semi-colon separated)
Evidence Categories	List of deep signal evidence categories found on
	crawl of website
#Evidence Categories	Number of different categories of deep signal
	evidence were found on crawl of website
Competition Companies Page Mentions	Number of pages that competition companies
	related mentions appeared on
Competition Companies Evidence Terms	List of competition companies terms mentioned on
	example evidence page
Competition Companies Evidence Example URL	URL of example of competition companies evidence
Competition Companies Homepage Match	Marker if example of competition companies'
	evidence on homepage
Prize Companies Page Mentions	Number of pages that prize companies related
	mentions appeared on
Prize Companies Evidence Terms	List of prize companies terms mentioned on example
	evidence page
Prize Companies Evidence Example URL	URL of example of prize companies evidence
Prize Companies Homepage Match	Marker if example of prize companies' evidence on
	homepage
Lottery Related Page Mentions	Number of pages that lottery related mentions
	appeared on
Lottery Related Evidence Terms	List of lottery related terms mentioned on example
	evidence page
Lottery Related Evidence Example URL	URL of example of lottery related evidence
Lottery Related Homepage Match	Marker if example of lottery related evidence on
	nomepage
to Age Restrictions Page Mentions	Number of pages that 16 age restrictions related
16 Ago Dostrictions Suidenes Torres	mentions appeared on
TO AGE RESTRICTIONS EVIDENCE LEURS	List of 16 age restrictions terms mentioned on
16 Age Destrictions Evidence Everyla UDI	Example evidence page
To Age Restrictions Evidence Example URL	UKL OF example of 16 age restrictions evidence

Variable	Description
16 Age Restrictions Homepage Match	Marker if example of 16 age restrictions evidence on
	homepage
18 Age Restrictions Page Mentions	Number of pages that 18 age restrictions related
	mentions appeared on
18 Age Restrictions Evidence Terms	List of 18 age restrictions terms mentioned on
	example evidence page
18 Age Restrictions Evidence Example URL	URL of example of 18 age restrictions evidence
18 Age Restrictions Homepage Match	Marker if example of 18 age restrictions evidence on homepage
Age Restrictions Page Mentions	Number of pages that age restrictions related mentions appeared on
Age Restrictions Evidence Terms	List of age restrictions terms mentioned on example evidence page
Age Restrictions Evidence Example URL	URL of example of age restrictions evidence
Age Restrictions Homepage Match	Marker if example of age restrictions evidence on homepage
Charity Associations Page Mentions	Number of pages that charity associations related mentions appeared on
Charity Associations Evidence Terms	List of charity associations terms mentioned on example evidence page
Charity Associations Evidence Example URL	URL of example of charity associations evidence
Charity Associations Homepage Match	Marker if example of charity associations evidence
,	on homepage
Free Entry Page Mentions	Number of pages that free entry related mentions appeared on
Free Entry Evidence Terms	List of free entry terms mentioned on example evidence page
Free Entry Evidence Example URL	URL of example of free entry evidence
Free Entry Homepage Match	Marker if example of free entry evidence on
	homepage
Charity Protection Measures Page Mentions	Number of pages that charity protection measures related mentions appeared on
Charity Protection Measures Evidence Terms	List of charity protection measures mentioned on
	example evidence page
Charity Protection Measures Evidence Example URL	URL of example of charity protection measures evidence
Charity Protection Measures Homepage Match	Marker if example of charity protection measures
	evidence on homepage
Mechanisms Protection Measures Page Mentions	Number of pages that mechanisms protection
	measures related mentions appeared on
Mechanisms Protection Measures Evidence Terms	List of mechanisms protection measures mentioned
	on example evidence page
Mechanisms Protection Measures Evidence Example URL	URL of example of mechanisms protection measures evidence
Mechanisms Protection Measures Homepage Match	Marker if example of mechanisms protection
	measures evidence on homepage
Reminders Protection Measures Page Mentions	Number of pages that reminders protection
	measures related mentions appeared on
Reminders Protection Measures Evidence Terms	List of reminders protection measures mentioned on
	example evidence page

Variable	Description
Reminders Protection Measures Evidence Example	URL of example of reminders protection measures
URL	evidence
Reminders Protection Measures Homepage Match	Marker if example of reminders protection measures
	evidence on homepage
Regulation Compliance Page Mentions	Number of pages that regulation compliance related
	mentions appeared on
Regulation Compliance Evidence Terms	List of regulation compliance mentioned on example
<u> </u>	evidence page
Regulation Compliance Evidence Example URL	URL of example of regulation compliance evidence
Regulation Compliance Homepage Match	Marker if example of regulation compliance
	evidence on homepage
Skill Competition Page Mentions	Number of pages that skill competition related
	mentions appeared on
Skill Competition Evidence Terms	List of skill competition mentioned on example
'	evidence page
Skill Competition Evidence Example URL	URL of example of skill competition evidence
Skill Competition Homepage Match	Marker if example of skill competition evidence on
	homepage
Terms and Conditions Page Mentions	Number of pages that terms and conditions related
	mentions appeared on
Terms and Conditions Evidence Terms	List of terms and conditions mentioned on example
	evidence page
Terms and Conditions Evidence Example URL	URL of example of terms and conditions evidence
Terms and Conditions Homepage Match	Marker if example of terms and conditions evidence
	on homepage
Odds Transparency Measures Page Mentions	Number of pages that odds transparency measures
	related mentions appeared on
Odds Transparency Measures Evidence Terms	List of odds transparency measures mentioned on
	example evidence page
Odds Transparency Measures Evidence Example URL	URL of example of odds transparency measures
	evidence
Odds Transparency Measures Homepage Match	Marker if example of odds transparency measures
	evidence on homepage
Choosing Winners Transparency Measures Page	Number of pages that choosing winners
Mentions	transparency measures related mentions appeared
	on
Choosing Winners Transparency Measures Evidence	List of choosing winners transparency measures
Terms	mentioned on example evidence page
Choosing Winners Transparency Measures Evidence	URL of example of choosing winners transparency
Example URL	measures evidence
Choosing Winners Transparency Measures	Marker if example of choosing winners transparency
Homepage Match	measures evidence on homepage
Rules Transparency Measures Page Mentions	Number of pages that rules transparency measures
	related mentions appeared on
Rules Transparency Measures Evidence Terms	List of rules transparency measures mentioned on
	example evidence page
Rules Transparency Measures Evidence Example URL	URL of example of rules transparency measures
	evidence
Rules Transparency Measures Homepage Match	Marker if example of rules transparency measures
	evidence on homepage
Prize Matches	List of prizes available of site

Variable	Description
Prize Evidence Sites	URLs that prize listings appear on
Question Matches	List of skill questions available on site
Question Evidence Sites	URLs that skill questions appear on
Estimated Frequency	Estimated frequency of competitions based on dates of competitions
Key Contact Name 1	Name of key contact 1
Key Contact Role 1	Role of key contact 1
Key Contact LinkedIn 1	Linkedin url of key contact 1
Key Contact Email 1	Email address of key contact 1 when available
Key Contact Name 2	Name of key contact 2
Key Contact Role 2	Role of key contact 2
Key Contact LinkedIn 2	Linkedin url of key contact 2
Key Contact Email 2	Email address of key contact 2 when available
Key Contact Name 3	Name of key contact 3
Key Contact Role 3	Role of key contact 3
Key Contact LinkedIn 3	Linkedin url of key contact 3
Key Contact Email 3	Email address of key contact 3 when available
General Email	General email address for company/organisation when available

Manual review of web crawl data

London Economics manually reviewed operator websites identified by the web crawl. Manual review was conducted to meet the following objectives:

- 1. Determine the size of prizes offered by all operators in the database (401) and
- 2. Assess, for a representative sample of operators, the visibility and transparency of:
 - a. free entry routes;
 - b. terms & conditions; and
 - c. charity associations
- 3. Assess, for a representative sample of operators, whether instant win products are on offer, and if so, the following characteristics of instant win products on offer:
 - a. Value of prizes relative to main draw prizes.
 - b. Provision of free entry routes.
 - c. Presence of a skill requirement.

Size of prize

All 401 websites were categorized based on the largest size of prize they were observed by the researcher to offer.

- The researcher categorized the website as offering a 'large' prize if they observe a cash or property prize clearly indicated as of value £1m or more.
- If they did not observe a 'large' prize as being offered, the researcher categorized the website as offering a 'medium' prize if they saw a prize on offer of: a car, motorbike, property (not clearly indicated as value £1m or more), luxury watch, boat, jet ski, luxury holiday or other similar product in the view of the researcher, or cash values of £10,000-£1m

If they did not see either a 'large' or 'medium' prize as being offered they categorized the website as offering a 'small' prize.

Samples for further review

Transparency and visibility sample (31 operators)

London Economics selected a representative random sample of 30 operator sites for further manual review in relation to objective 2 above. A stratified random sample was chosen, with operator stratified by company size, as proxied by number of TrustPilot reviews (i.e. 10 sites from smallest third of companies 10 from middle third; 10 from largest third). Omaze was also reviewed, given its importance, meaning 31 operators sites were reviewed in total.

Instant win review sample (200 operators)

London Economics selected a representative random sample of 200 operator sites for further manual review in relation to objective 3 above. A stratified random sample was chosen using an identical methodology to the above (although with a larger sample size, and without the automatic inclusion of Omaze).

Assessing visibility and transparency

Each site was graded from 1 (best) to 3 (worst) on visibility/transparency of the three characteristics noted above under objective 2 (free entry routes, terms & conditions and charity associations). The judgements were made subjectively based on the view of the researcher using the 'grading framework' below. Websites on which the researcher was unable to find mention of a free entry route or charity associations were marked N/A for these variables. (Note, the contents of the linked examples below may have changed since the time of writing).

Free entry routes:

- 1) **Grade 1 (best)**: Free entry route displayed in same format as and alongside paid entry routes (Example).
- Grade 2 (middle): Link to discussion of free entry route displayed on homepage or competition pages, but in less prominent format than paid entry routes. Link leads to dedicated discussion of free entry route, not general T&Cs (<u>Example</u>).
- 3) Grade 3 (worst): Homepage and competition pages may mention free entry route, but do not link to dedicated discussion of this. Instead, discussion of free entry route is within wider T&Cs. A website will also automatically receive grade 3 if signposting for free postal entry route does not indicate that it is free e.g. describing it just as a 'postal entry route' (Example).

Terms of the competition, e.g. odds of winning, how they choose winners, exclusions, timings of draw

- Grade 1 (best): Detailed discussion of all/most of these topics is available and clearly signposted (<u>Example</u>).
- Grade 2 (middle): Discussion of these topics is available but may not cover all/most topics; lacks detail; or is not clearly signposted (<u>Example</u>).

3) Grade 3 (worst): Discussion of these topics not found or is highly limited (Example).

Charitable associations, e.g. proportion of proceeds that go to charity

- 1) **Grade 1 (best):** Website features a fixed percentage or pound commitment regarding charity donations (<u>Example</u>).
- Grade 2 (middle): Website does not provide fixed commitments about donations, but does provide reasonable degree of detail (e.g. dedicated webpage) on previous donations and/or charity partners (<u>Example</u>).
- 3) **Grade 3 (worst):** Website states or implies that donations are made to charity but provides zero or minimal further details (<u>Example</u>).

Assessing the nature of instant win products

The variables below were evaluated for each site in the sample. Values were assigned based on the researcher's review of PDC webpages on each site. Generally, the researcher reviewed 2-3 PDC webpages per site, given that operators rarely implement different approaches across PDCs with regard to the variables of interest.

Value of instant win prizes relative to main draw prizes

"More" if the value of instant win prizes on offer is clearly larger than the value of main draw prizes.

"Similar" if the value of instant win prizes on offer appears to be roughly similar to the value of main draw prizes.

"Less" otherwise.

Provision of free entry route

1 if operator advertises free entry alternative to purchasing tickets, where the purchased tickets would give the buyer a chance to win instant win prize(s). Note, as discussed in Section 2.2.1, this does not guarantee that a consumer can access the instant win component via the free entry route.

0 otherwise.

Presence of a skill requirement

1 if operator implements skill requirement for purchasing tickets which give the buyer a chance to win instant win prize(s).

0 otherwise.

Annex 2 Surveys

This annex presents details on the four surveys that were conducted as part of this research. The surveys conducted were of the following groups:

- Consumers of PDCs;
- Operators of PDCs;
- Charities supported by PDCs; and
- Gambling charities

Participation in the surveys was entirely voluntary and subject to a privacy policy which was shared with all potential respondents. It should be noted that all surveys were signed off by DCMS prior to launch.

Consumer survey

Approach

The survey of consumers was conducted by YouGov using their online consumer panel. The fieldwork consisted of two phases. In the first (screener) phase, a random sample of UK adults on the panel were asked whether they participate in PDCs. This survey was conducted between the 20th and 23rd October 2023 and was completed by 2063 respondents. The screener survey asked the following question:

Thinking about the last 12 months (i.e. since mid-to-late October 2022)...Which, if any, of the following online prize draw(s) and competition(s) have you participated in? (Please select all that apply, if there is a prize draw or competition that is not listed, please select the 'Other' option and give the name of the draw/competition)

- a) Aspire Competitions
- b) Best of the Best
- c) Bounty Competitions
- d) Elite Competitions
- e) Lucky Day Competitions
- *f) Nitrous Competitions*
- g) Omaze UK
- *h) Pristine Competitions*
- i) Raffle House
- j) Storm Competitions
- k) Tramway Path
- l) Other
- m) Don't know/can't recall
- n) Not applicable I haven't participated in any online prize draws and competitions in the last 12 months

The choice of operators in this survey question was based on insights from DCMS as well as the ranking of operators by number of TrustPilot reviews. This part of the survey had two purposes. Firstly, it provided an estimate for the proportion of adults that participate in PDCs which was

needed for the market sizing exercise (i.e. the proportion of people that did not respond m) or n). Secondly, it provides a profile of the demographics of PDC players (because YouGov hold demographic information on their panellists). This established a sample frame (the player base of PDCs) for the second (main) survey. The main survey was conducted between November 6th and 15th 2023 among 764 players of PDCs.

Main survey questionnaire

In this survey we will ask you about online prize draws and competitions. This survey is being conducted on behalf of the Department for Digital, Culture, Media & Sport (DCMS) as part of their investigation into the prize draws and competitions market.

In online prize draws and competitions, customers enter a draw or competition for the chance to win a substantial prize such as a luxury house, car or large sums of money.

Prize draws and competitions are similar to lotteries but are technically different.

Some key characteristics of prize draws and competitions are that:

- •They will call themselves 'prize draws' and 'prize competitions', not 'lotteries'.
- •They may offer a 'free entry route' (often by post).
- •They may involve a 'skilled' element, such as a question you need to answer to participate.
- •Some of the money raised may go to good causes.

Websites offering prize draws and competitions include Omaze, Raffle House, and Elite Competitions.

This survey is **not** about lotteries such as the National Lottery, Health Lottery, and People's Postcode Lottery. If you're not sure whether or not you have participated in an online prize draw or competition, please click this link to see what these products might look like.

#PAGE 3

Question type: Single

[Q1] \$hovertext.raw How often do you enter online prize draws and competitions\$prize_draw.raw?

<1>	Every day/ 6-7 days a week
<2>	4-5 days a week
<3>	2-3 days a week
<4>	About once a week

<5>	About once a fortnight
<6>	About once a month
<7>	Every 2-3 months
<8>	At most once or twice a year
<9>	Never
<99>	Prefer not to say

#skip exit status=screenout if Q1 in [9]

#PAGE 4

Question type: Text

We want to understand your level of participation in online prize draws and competitions as well as your experience in doing so. The survey should take around 12 minutes to complete. Your YouGov account will be credited with **50 points** for completing the survey. To continue please click the arrow below.

#PAGE 5

Question type: Single

[Q2] \$hovertext.raw How many **different** online prize draws and competitions\$prize_draw.raw do you enter in a typical month? If you make multiple entries for the same draw or competition please only count this draw or competition once. If you are unsure, please just give your best estimate.

<1>	0
<2>	1
<3>	2-5
<4>	6-10

logic:

<5>	11-25
<6>	26-50
<7>	More than 50
<97>	Don't know
<99>	Prefer not to say

#PAGE 6

[Q3] \$hovertext.raw You said that you enter \$Q2 prize draws and competitions\$prize_draw.raw in a typical month. How many entries do you purchase for prize draws and competitions in a typical month, counting each entry for the same competition separately?

If you are unsure, please just give your best estimate.

<1 if Q2 in [2]>	1
<2 if Q2 in [2,3]>	2-5
<3 if Q2 in [2,3,4]>	6-10
<4 if Q2 in [2,3,4,5]>	11-25
<5>	26-50
<6>	51-100
<7>	101-500
<8>	501-1000
<9>	More than

1000

<97>

Don't know

<99>

Prefer not to say

#option display <5> - If [Q2] - 1 or 2-5 or 6-10 or 11-25 or 26-50, is selected [if Q2 in [2,3,4,5,6]]

#PAGE 7

Question type: Single

[Q4] \$hovertext.raw When you participate in prize draws and competitions\$prize_draw.raw, do you mostly pay to enter or enter for free?

<1>	I only enter for free
<2>	I usually enter for free but sometimes I pay to enter
<3>	I enter for free about half the time and pay to enter about half the time
<4>	I usually pay to enter but sometimes I enter for free
<5>	I only enter when I am paying
<97>	Don't know

If [Q4] - I only enter for free or I usually enter for free but sometimes I pay to enter or I enter for free about half the time and pay to enter about half the time or I usually pay to enter but sometimes I enter for free, is selected [if Q4 in [1,2,3,4]]

[Q5a] \$hovertext.raw Which of these routes have you used in the past to enter online prize draws and competitions\$prize_draw.raw for free? Please select all that apply.

<1> Post

<2> Text

logic:

<3>	Phone call
<4>	Online form
<5>	Email
<96 fixed>	Other (open [Q5a_other]) [open] please specify
<97 fixed xor>	Don't know
#PAGE 9	

if Q4 in [2,3,4,5]

[Q6] \$hovertext.raw Why do you \$pipe pay to enter prize draws and competitions\$prize_draw.raw rather than entering for free? Please select all that apply.

<1>	I didn't know that I could enter prize draws and competitions for free
<2>	Entering for free would be more effort/complicated
<3>	You still need to pay for a stamp so it's not free
<4>	I do not always know how to enter for free
<5>	I like to pay so that I am supporting good causes
<6>	The number of entries I can make via the free entry route is limited
<98 fixed xor>	None of the above
<97 fixed xor>	Don't know
<1> - If [Q4] - I only enter when I am paying is selected [if Q4 == 5]	
#PAGE 10	

Question	type:	Single
#Question	display	logic:
if Q4 in [2,3,4,5,97]		

[Q7] \$hovertext.raw What is your typical total monthly spend on online prize draws and competitions\$prize_draw.raw (across all those that you enter)? If you are unsure, please just give your best estimate.

<1>	Less than £10
<2>	£10-£25
<3>	£26-50
<4>	£51-100
<5>	£101-200
<6>	£201-£300
<7>	More than £300
<97>	Don't know
<99>	Prefer not to say

#PAGE 11

[Q8] \$hovertext.raw And in the last 12 months, has the amount of money you have spent on online prize draws and competitions\$prize_draw.raw increased, decreased or stayed the same, compared to the previous year?

<1> Increased a lot <2> Increased a little <3> Stayed about the same

<4>	Decreased a little
<5>	Decreased a lot
<97>	Don't know
<99>	Prefer not to say

#PAGE 12

[Q9] \$hovertext.raw Which, if any, of the following are reasons that you participate in prize draws and competitions\$prize_draw.raw? Please select all that apply.

<1>	They support good causes	<10>	When I feel lucky
<2>	They are exciting	<11>	To compete with others
<3>	The possibility of winning small prizes	<12>	When I have money to spare
<4>	The possibility of winning prizes I couldn't otherwise afford	<13>	Because it's something I do with my friends or family
<5>	The possibility of winning life- changing prizes	<14>	As a hobby
<6>	To try to make money through them	<95 fixed>	Other (open [Q9_open]) [open] please specify
<7>	To recoup money I have already spent on them	<96 fixed xor>	Don't know
<8>	To escape boredom	<99 fixed xor>	Prefer not to say

<9> To improve my mood

#PAGE if len(Q9) >= 2

[Q10] \$hovertext.raw And which, if any, of the following is the main reason you play online prize draws and competitions\$prize_draw.raw?

<1 if 1 in Q9>	They support good causes	<10 if 10 in Q9>	When I feel lucky
<2 if 2 in Q9>	They are exciting	<11 if 11 in Q9>	To compete with others
<3 if 3 in Q9>	The possibility of winning small prizes	<12 if 12 in Q9>	When I have money to spare
<4 if 4 in Q9>	The possibility of winning prizes I couldn't otherwise afford	<13 if 13 in Q9>	Because it's something I do with my friends or family
<5 if 5 in Q9>	The possibility of winning life- changing prizes	<14 if 14 in Q9>	As a hobby
<6 if 6 in Q9>	To try to make money through them	<95>	The other reason I specified
<7 if 7 in Q9>	To recoup money I have already spent on them	<99 fixed xor>	N/A - I don't have a main reason
<8 if 8 in Q9>	To escape boredom	<96 fixed xor>	Don't know
<9 if 9 in Q9>	To improve my mood		

<95> - If [Q9] - Other is selected [if 95 in Q9]

#PAGE 14

[Q11] \$hovertext.raw How did you find out about the prize draws and competitions\$prize_draw.raw you participate in? Please select all that apply.

<1> Online searches

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London Economics - Online prize draws and competitions - market study, assessment of harm and review of potential policy interventions

<2>	Social media adverts
<3>	Other online adverts (not social media)
<4>	Blogs or online recommendations
<5>	Prize draw and competition aggregator sites (e.g. superlucky.me and theprizefinder.com)
<6>	Offline adverts (e.g. in shops or newspapers)
<7>	From friends and family
<95 fixed>	Other (open [Q11_open]) [open] please specify
<97 fixed xor>	Don't know/can't remember

#PAGE 15

[Q12] \$hovertext.raw Thinking about online prize draws and competitions\$prize_draw.raw you have entered, please indicate to what extent you agree or disagree with each of the following statements:

-[Q12_1]	Tests that must be passed to enter them (e.g. answering a question) are usually easy
-[Q12_2]	They represent good value for money
-[Q12_3]	I would rather participate in a lottery (e.g. the National Lottery) than an online prize draw and competition
-[Q12_4]	The possibility of winning instantly (instead of having to wait to find out if I have won) is a big reason I enter them
-[Q12_5]	Advertisements for these draws/competitions accurately describe the prizes and entry conditions

-[Q12_6]	I have generally been treated well by the operators of these draws/competitions
-[Q12_7]	I have a good understanding of the rules (e.g. cost, prizes, closing dates and odds of winning)
-[Q12_8]	It is good to offer a free entry option
<1>	Strongly agree
<2>	Agree
<3>	Neither agree nor disagree
<4>	Disagree
<5>	Strongly disagree
<6>	Don't know

#PAGE 16

[Q13] \$hovertext.raw Which of the below do you see as advantages of participating in online prize draws and competitions\$prize_draw.raw _compared_ to lotteries? Please select all that apply.

<1>	I can participate for free
<2>	The prizes are more exciting
<3>	My chances of winning a prize are higher
<4>	There are instant win prizes available
<5>	I trust them more
<6>	I prefer the causes they support to the causes lotteries support

<7>	I already buy a lot of lottery tickets, so buying more would be boring
<95 fixed>	Other (open [Q13_open]) [open] please specify
<8 fixed xor>	Don't know

#PAGE 17

[Q14] \$hovertext.raw How clear or unclear do you think each of the following are on websites of prize draws and competitions\$prize_draw.raw operators?

-[Q14_1]	Entry conditions (e.g. price, number of entries)
-[Q14_2]	The prizes available
-[Q14_3]	Terms and conditions
-[Q14_4]	Chances of winning
-[Q14_5]	Time at which winners will be chosen
-[Q14_6]	Method by which winners will be chosen
-[Q14_7]	How much money (if any) will be donated to charities
-[Q14_8]	Contact details for the operator
<1>	Very clear
<2>	Quite clear
<3>	Quite unclear
<4>	Very unclear

<5> Don't know

#PAGE 18

[Q15] \$hovertext.raw How well do you think you understand the following about the prize draws and competitions\$prize_draw.raw that you enter?

-[Q15_1]	Entry conditions (e.g. price, number of entries)
-[Q15_2]	The prizes available
-[Q15_3]	Terms and conditions
-[Q15_4]	Chances of winning
-[Q15_5]	Time at which winners will be chosen
-[Q15_6]	Method by which winners will be chosen
-[Q15_7]	How much money (if any) will be donated to charities
<1>	Very well
<2>	Quite well
<3>	Not very well
<4>	Not well at all
<5>	Don't know

#PAGE 19

[Q16] \$hovertext.raw How often do you see the following when you go on the websites of prize draws and competitions\$prize_draw.raw operators?

-[Q16_1]	A reference to a minimum age requirement (e.g. 18+ or 16+)
-[Q16_2]	Reminders to play safely and responsibly
-[Q16_3]	Information on where to get help if you have a gambling problem
-[Q16_4]	Limits on number of entries an individual can make in a particular competition
<1>	Always
<2>	Often / Sometimes
<3>	Rarely
<4>	Never
<96>	Don't know

#PAGE 20

[Q17] Which, if any, of the following have you spent money on in the _past 12 months_? Please tick all that apply.

<1>	Tickets for the National Lottery Draw, including Thunderball, and EuroMillions and tickets bought online	<11>	Betting on horse or dog races – in person
<2>	Tickets for any other lottery, including charity lotteries	<12>	Betting on football – online
<3>	Scratch cards	<13>	Betting on football – in person
<4>	Gaming machines in a bookmakers	<14>	Betting on other sports – online

<5>	Fruit or slot machines	<15>	Loot boxes
<6>	Bingo (including online)	<16>	Any other type of gambling
<7>	Gambling in a casino (any type)	<98 fixed xor>	None of the above
<8>	Online casino games (slot machine style, roulette, instant wins)	<97 fixed xor>	Don't know
<9>	Online poker	<99 fixed xor>	Prefer not to say

<10> Betting on horse or dog races – online

#PAGE 21

if Q17.has_any([1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16])

[Q18] Which, if any, of these have you spent money on in the _past month_? Please tick all that apply.

<1 if 1 in Q17>	Tickets for the National Lottery Draw, including Thunderball, EuroMillions and tickets bought online	<11 if 11 in Q17>	Betting on horse or dog races – in person
<2 if 2 in	Tickets for any other lottery, including charity lotteries	<12 if 12 in	Betting on football
Q17>		Q17>	– online
<3 if 3 in	Scratch cards	<13 if 13 in	Betting on football
Q17>		Q17>	– in person
<4 if 4 in Q17>	Gaming machines in a bookmakers	<14 if 14 in Q17>	Betting on other sports – online

<5 Q17>	if	5	in	Fruit or slot machines	<15 if 15 in Q17>	Loot boxes
<6 Q17>	if	6	in	Bingo (including online)	<16>	Any other type of gambling (not prize draws and competitions)
<7 Q17>	if	7	in	Gambling in a casino (any type)	<98 fixed xor>	None of the above
<8 Q17>	if	8	in	Online casino games (slot machine style, roulette, instant wins)	<97 fixed xor>	Don't know
<9 Q17>	if	9	in	Online poker	<99 fixed xor>	Prefer not to say
<10 Q17>	if	10	in	Betting on horse or dog races – online		

<16> - If [Q17] - Any other type of gambling is selected [if 16 in Q17]

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if Q17.has_any([1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16])

[Q19] Please estimate your average monthly spend on gambling and lottery activities?

<1>	Less than £10
<2>	£10-£25
<3>	£26-50
<4>	£51-100
<5>	£101-200
<6>	£201-500

<7>	£501-1000
<8>	More than £1000
<97>	Don't know
<99>	Prefer not to say
#PAGE 23	
Question type: Text	
Moving on	
#PAGE 24	
if Q17.has_any([1,2,	3,4,5,6,7,8,9,10,11,12,13,14,15,16])
[Q20] Thinking about	t all of your gambling and lottery activities in the last 12 months
-[Q20_1]	Have you bet more than you could really afford to lose?
-[Q20_2]	Have you needed to gamble with larger amounts of money to get the same excitement?
-[Q20_3]	When you gambled, did you go back another day to try and win back the money you lost?
-[Q20_4]	Have you borrowed money or sold anything to get money to gamble?
-[Q20_5]	Have you felt that you might have a problem with gambling?
-[Q20_6]	Has gambling caused you any mental health problems, including stress or anxiety?
-[Q20_7]	Have people criticised your betting or told you that you had a gambling problem, regardless of whether or not you thought it was

true?

-[Q20_8]	Has your gambling caused any financial problems for you or your household?
-[Q20_9]	Have you felt guilty about the way you gamble or what happens when you gamble?
<1>	Never
<2>	Sometimes
<3>	Most of the time
<4>	Almost always

#PAGE 30

Question type: Text

\$hovertext.raw When answering the next question, please answer with consideration of **only** your participation in online prize draws and competitions\$prize_draw.raw (and not any other gambling). Note that in the following question entries to prize draws and competitions\$prize_draw.raw are sometimes referred to as 'bets' or 'gambles'.

#PAGE 31

Question	type:	Dyngrid
#row order: randomize		

[Q21] Thinking about your online prize draws and competitions\$prize_draw.raw activities in the last 12 months...

-[Q21_1]	Have you bet more than you could really afford to lose?
-[Q21_2]	Have you needed to gamble with larger amounts of money to get the same excitement?
-[Q21_3]	When you gambled, did you go back another day to try and win back the money you lost?

-[Q21_4]	Have you borrowed money or sold anything to get money to gamble?
-[Q21_5]	Have you felt that you might have a problem with gambling?
-[Q21_6]	Has gambling caused you any mental health problems, including stress or anxiety?
-[Q21_7]	Have people criticised your betting or told you that you had a gambling problem, regardless of whether or not you thought it was true?
-[Q21_8]	Has your gambling caused any financial problems for you or your household?
-[Q21_9]	Have you felt guilty about the way you gamble or what happens when you gamble?
<1>	Never
<2>	Sometimes
<3>	Most of the time
<4>	Almost always
#PAGE 36	
Question type: Text	
#PAGE 37	
Question type: Text	
Moving on	
#PAGE 38	
Question type: Single	

[Q22] \$hovertext.raw To the best of your knowledge, how do the rules and regulations that apply to online prize draws and competitions\$prize_draw.raw compare to the rules and regulations that apply to lotteries?

<1>	There are _more_ rules and regulations for _online prize draws and competitions_ than for lotteries
<2>	There are the _same level_ of rules and regulations for _online prize draws and competitions as for lotteries_
<3>	There are _more_ rules and regulations for _lotteries_ than for online prize draws and competitions
<4>	Don't know
#PAGE 39	
#row order: randomize	
[Q23] Please indicate to	what extent you agree or disagree with each of the following statements:
-[Q23_1]	\$hovertext.raw Prize draws and competitions\$prize_draw.raw can be addictive
-[Q23_2]	\$hovertext.raw There should be rules governing the share of proceeds from prize draws and competitions\$prize_draw.raw that must go to charity, like there are for lotteries
-[Q23_3]	\$hovertext.raw There should be rules that require operators of online prize draws and competitions\$prize_draw.raw to take steps to prevent addiction to gambling
-[Q23_4]	\$hovertext.raw I feel happy about the fact that I enter online prize draws and competitions\$prize_draw.raw
-[Q23_5]	\$hovertext.raw There should be rules that require operators of online prize draws and competitions\$prize_draw.raw to take steps to ensure that prize draws and competitions\$prize_draw.raw are conducted in a fair and transparent way

<1>	Strongly agree	
<2>	Agree	
<3>	Neither agree nor disagree	
<4>	Disagree	
<5>	Strongly disagree	
<6>	Don't know	

Operator survey

Approach

The operator survey was run between December 11th 2023 and January 3rd 2024, and was responded to by 22 operators. The goal of the research was to send the survey to and obtain responses from as many as possible of the 401 operators identified during the web crawl, however contact details were only obtained (through the web crawl) for 258 of these operators. The survey was run on the SmartSurvey platform and disseminated via email.

Limitations

As discussed in the previous section, the dissemination of the survey was limited by the fact that it was not possible to obtain contact details for all identified operators. Furthermore, even for the operators for which it was possible to obtain contact details, in some cases only a generic email address (e.g. info@, contact@ etc.).

Since larger operators are more likely to have an email address (as well as email addresses associated with specific individuals which are therefore more likely to be monitored) it is likely that the sample of 22 operators that responded to the survey is larger than average and as such not representative.

This means that the findings need to be interpreted with some caution. This is particularly the case because, as discussed in the report, the web crawl identified some differences in business practices between larger and smaller operators.

Questionnaire

Section 1: Introduction for respondents

Introduction p.1

In this survey we will ask you about online prize draws and competitions. This survey is being conducted by London Economics on behalf of the Department for Culture, Media & Sport (DCMS) as part of their work exploring whether and, if so, how certain types of prize draws and competitions might be regulated in future.

DCMS have commissioned this research to produce evidence on the size and scale of the sector and particularly the extent to which these types of draws and competitions may present risks in terms of gambling regulation objectives. DCMS will use this evidence in its work to explore what action may need to be taken, if any, to ensure appropriate controls around transparency, player protection and, where applicable, returns to good causes. DCMS appreciates this opportunity to receive input from the sector to inform this work.

All information that you provide will be treated in confidence by London Economics, used only for this study, and presented in a report to DCMS in anonymised and aggregated form. Underlying data collected will be anonymised and will not be shared with any other party other than DCMS.

Please note that DCMS seeks to gain comprehensive and robust evidence about operators and their perspectives as part of a balanced policy process. So, your complete and accurate responses to these questions are appreciated.

While answering these questions please answer from the perspective of your business. In the questions, when we say 'you'/'your' we are referring to your business.

The privacy policy explaining how we would use your responses can be found in the link below: Privacy policy

Introduction p.2

In this survey, when we refer to prize draws and competitions we mean products that are similar to lotteries in that it is possible to win a prize, but differ from lotteries in one or more key ways. Some key distinguishing characteristics of prize draws and competitions are that:

- They involve either one or both of a 'free entry route' (often by post) or a 'skilled' element, such as a question customers need to answer to participate.
- Some of the money raised may go to good causes, but there is no legal requirement for this.

Section 2: Business information

Ask All:

- 1. How many full-time employees does your business have (including yourself)?
 - a) 1 part time employee (micro-enterprise)
 - b) 1 full time employee (micro-enterprise)
 - c) 2-9 employees (micro-enterprise)
 - d) 10-49 (small enterprise)
 - e) 50-249 (medium-sized enterprise)
 - f) 250 or more (large enterprise)
 - g) I don't know

Section 3: Operations

Based on our research so far, we have identified that your business runs online prize draws and competitions. In the first few questions we will ask you about these prize draws and competitions. Please provide your best estimate where you can, but if you are really not sure about a question then you can skip to the next question.

Ask All:

2. How many separate prize draws and/or competitions do you offer in a typical month? If tickets to a 'main' prize draw/competition include entry for an additional instant win* prize or prizes, please count all of this as <u>one prize draw/competition</u>. If you are not sure exactly, please give your best estimate.

INCLUDE AS FOOTNOTE BENEATH QUESTION *By 'instant win' we mean any draw/competition where customers are notified of whether they have won the prize *immediately upon completing their ticket purchase* (rather than having to wait for a draw to take place).

IF 0 or blank at Q2 THANK AND CLOSE

Ask all:

- 3. Is it possible for players to enter any of your prize draws and/or competitions <u>for free</u>? If so, is this the case for more or less than half of the prize draws/competitions that you run?
 - a) No (it is not possible to enter any of our prize draws/competitions for free)
 - b) Yes, less than half can be entered for free
 - c) Yes, more than half can be entered for free
 - d) Don't know

Ask if Q3=b) or c)

- 4. Do you offer any prize draws and/or competitions where players can <u>only enter for free</u> (i.e. there is no paid entry route)? If so, is this the case for more or less than half of the prize draws/competitions that you run?
 - a) No (all our prize draws/competitions have a paid entry route)
 - b) Yes, in less than half players can only enter for free
 - c) Yes, in more than half players can <u>only</u> enter for free
 - d) Don't know

Ask if Q3=3.b) or 3.c)

- In which of the following ways can players enter your prize draws and/or competitions <u>for</u> <u>free</u>? Please select all that apply.
 - a) By post
 - b) By text
 - c) By phone call
 - d) By filling out an online form
 - e) By completing a skills question
 - f) By email
 - g) Other
 - h) Don't know

Ask if Q3=3.b) or 3.c)

- 6. What proportion of <u>entries</u> to your prize draws and/or competitions are not paid for (i.e. a free <u>entry route is taken</u>)? Please answer to the best of your knowledge.
 - a) 0-5%
 - b) 6-10%
 - c) 11-20%
 - d) 21-40%
 - e) 41-60%
 - f) 61-80%
 - g) 81-100%
 - h) Don't know

Ask all:

7. How many <u>paid</u> entries do you sell in a typical month in total across all the prize draws and/or competitions you run? If you are not sure exactly, please give your best estimate.

Ask All:

8. How many <u>individual people</u> enter your prize draws and/or competitions in a typical month in total across all the prize draws and/or competitions you run? E.g. if one person makes 10 entries, they count as one individual entrant. If you are not sure exactly, please give your best estimate.

Ask All:

9. Excluding any free entries, what is the average price paid per entry for your prize draws and competitions? Please answer in pounds; e.g. if the answer is £10, enter '10'. If you are not sure exactly, please give your best estimate.

Ask All:

- **10.** What types of prizes do you offer in your prize draws and competitions? Please select all that apply.
 - a) Properties (e.g. houses, apartments) under the value of £1m
 - b) Properties over the value of £1m
 - c) Motor vehicles under the value of £20k
 - d) Motor vehicles over the value of £20k
 - e) Cash under the value of £100k
 - f) Cash over the value of £100k
 - g) Holidays
 - h) Event tickets
 - i) Entertainment electronics (e.g. TVs, games consoles)
 - j) Household appliances
 - k) Clothing and accessories (e.g. jewellery, watches)
 - I) Other (please specify)
 - m) Don't know

Ask All:

11. Do your prize draws or competitions offer participants the chance to win instant win prizes? By 'instant win' we mean any draw/competition where customers are notified of

whether they have won the prize *immediately upon completing their ticket purchase* (rather than having to wait for a draw to take place).

Ask All:

- 12. What is the average monetary value of prizes <u>per</u> prize draw and/or competition that you run? Please give answers including and excluding instant win prizes if you do not offer any instant win prizes please leave the first row blank. Please answer in pounds; e.g. if the answer is £10, enter '10'. If you are not sure exactly, please give your best estimate.
 - a) <u>Including</u> any instant win prizes
 - b) Excluding any instant win prizes

Ask All:

- **13.** Thinking about the <u>next 3 years</u>, how do you think the total number of entries you sell for your prize draws and competitions in a typical month will change?
 - a) The number of entries will increase
 - b) The number of entries will stay about the same
 - c) The number of entries will decrease
 - d) Don't know

Section 4: Associations with charities

Ask All:

- **14.** Does your business donate any of the proceeds from its prize draws and/or competitions to charity?
 - a) Yes
 - b) No
 - c) Don't know

Ask if Q14 = a)

- **15.** Approximately what proportion of the money raised from your prize draws and/or competitions is donated to charity? If you are not sure exactly, please give your best estimate.
 - a) Less than 5%
 - b) 5-10%
 - c) 11-20%
 - d) 21-50%
 - e) More than 50%
 - f) Don't know

Section 5: Player protection and transparency

Ask All:

- **16.** Which of the following does your business have in place? Please select all that apply.
 - a) A protocol for allowing individuals to self-exclude from playing
 - b) A limit on overall expenditure per customer across draws/competitions
 - c) A limit on overall entries per customer across draws/competitions
 - d) A process for receiving and reviewing customer complaints
 - e) Safer gambling messaging on website

f) Don't know

Ask if Q16 = a):

17. Please describe your business's protocol for allowing individuals to self-exclude from playing.

Ask if Q16 = d)

18. Please describe your business's process for receiving and reviewing customer complaints.

Ask All:

- 19. Do you allow individuals under the age of 18 to enter your prize draws or competitions?
 - a) Yes, with parental permission
 - b) Yes, with or without parental permission
 - c) No
 - d) Don't know

Ask if Q19 = c):

- **20.** Do you have any age verification processes in place to ensure individuals under the age of 18 cannot enter your prize draws or competitions?
 - a) Yes self-declared
 - b) Yes proof required
 - c) Yes, other (please explain)
 - d) No
 - e) Don't know

Ask all:

- **21.** Has your business ever made any of the following changes to a prize draw or competition <u>after it began</u>?
 - a) Changed the prize on offer (including if the number of tickets sold was lower than expected)
 - b) Changed the closing date for entries
 - c) Cancelled the draw/competition
 - i. Yes
 - ii. No
 - iii. Don't know

Section 6: Regulations

We will now ask you about some examples of potential regulatory interventions that could be made in the online prize draws and competitions market. We are interested in understanding the effects that these example interventions could have on your business, and in hearing any other insights you may have about their likely impacts.

Please take a moment to read the following potential interventions in the prize draws and competitions market:

The running of prize draws and competitions is made subject to a licence from the Gambling Commission with (i) player protection and transparency obligations (ii) limits on ticket sales and

prizes and (iii) a requirement to give 20% of proceeds to charity (similar to society lotteries), <u>but</u> <u>without</u> liability to pay gambling duty

The running of prize draws and competitions is made subject to a licence from the Gambling Commission <u>with</u> (i) player protection and transparency obligations and (ii) liability to pay gambling duty, <u>but without</u> limits on ticket sales and prizes or a requirement to give 20% of proceeds to charity

The running of prize draws and competitions is made subject to a voluntary code of practice for operators covering player protection, transparency, charity donations

Ask all:

22. In your opinion, how beneficial or damaging would each of the following potential interventions in the prize draws and competitions market be for your business?

The running of prize draws and competitions is made subject to...

- a) ...a licence from the Gambling Commission <u>with</u> (i) player protection and transparency obligations (ii) limits on ticket sales and prizes and (iii) a requirement to give 20% of proceeds to charity (similar to society lotteries), <u>but without</u> liability to pay gambling duty
- b) ...a licence from the Gambling Commission <u>with</u> (i) player protection and transparency obligations and (ii) liability to pay gambling duty, <u>but without</u> limits on ticket sales and prizes or a requirement to give 20% of proceeds to charity
- c) ...a voluntary code of practice for operators covering player protection, transparency, charity donations
- i. Very beneficial
- ii. Somewhat beneficial
- iii. Neither beneficial nor damaging
- iv. Somewhat damaging
- v. Very damaging
- vi. Don't know

Please provide any opinions and insights you may have about the likely impact of these example interventions, including, but not limited to, likely impacts on your:

- Revenues
- Customers' experiences
- Funding for charities
- Product offering

What opinions and insights do you have about the likely impact of an intervention which would make the running of prize draws and competitions subject to...

Ask all:

...a licence from the Gambling Commission with (i) player protection and transparency obligations (ii) limits on ticket sales and prizes and (iii) a requirement to give 20% of

proceeds to charity (similar to society lotteries), **<u>but without</u>** liability to pay gambling duty?

Ask all:

24. ...a licence from the Gambling Commission <u>with</u> (i) player protection and transparency obligations and (ii) liability to pay gambling duty, <u>but without</u> limits on ticket sales and prizes or a requirement to give 20% of proceeds to charity?

Ask all:

25. ...a voluntary code of practice for operators covering player protection, transparency, charity donations?

And finally...

Ask all:

26. Are there any particular challenges and problems within the prize draws and competitions sector that you feel DCMS should be aware of when considering potential interventions? These could include problems your business faces; harm to consumers; or other effects on society.

Gambling charities survey

Approach

The gambling charities survey was conducted between January 11th and January 30th 2024. It was conducted using the SmartSurvey platform and disseminated via email. Contact details used for the dissemination were obtained through a publicly available repository of gambling charity contact details (published by the Gambling Commission) and supplemented with existing DCMS contacts in gambling charities. The survey was completed by a total of 5 organizations.

Questionnaire

Section 1: Introduction for respondents

Introduction p.1

In this survey we will ask you about online prize draws and competitions. This survey is being conducted by London Economics on behalf of the Department for Culture, Media & Sport (DCMS) as part of their work exploring whether and how certain types of prize draws and competitions might be regulated in the future.

We are interested in gaining insights from organisations, such as yours, on the public's participation in online prize draws and competitions and the incidence of people who participate in these who are experiencing gambling problems. Even if your organization has not supported any players of online prize draws and competitions, we would still appreciate if you could complete the survey and in this case there would only be three questions to answer. Otherwise, the survey should take roughly 10 minutes to complete. All information that you provide will be treated in confidence by London Economics, used only for this study, and presented in a report to DCMS in anonymised and aggregated form. Underlying data collected will be anonymised and will not be shared with any other party other than DCMS.

We will ask you about the extent to which you have seen any harm among players of online prize draws and competitions, the characteristics and behaviour of people that play these, and any views you may have on the industry and potential regulatory intervention.

While answering these questions, please answer from the perspective of your organisation. In the questions, when we say 'you'/'your' we are referring to your organisation.

The privacy policy explaining how we would use your responses can be found in the link below: Privacy policy

Introduction p.2

In this survey, the phrase 'prize draws and competitions' refers to games that are similar to lotteries in that it is possible to win a prize. However, they differ from lotteries in one or more key ways, including that they have a 'free entry route' (often by post) and/or a 'skilled' element (e.g. a question players must answer). These differences mean that (technically) they are not lotteries and so are not regulated by the Gambling Commission.

Some of the money raised may go to good causes, but there is no legal requirement for this.

Examples of websites offering prize draws and competitions include Omaze, Raffle House, and Elite Competitions. Lotteries such as the National Lottery, the Health Lottery, and the People's Postcode Lottery are <u>not</u> prize draws and competitions.

Section 2: Organisation information

Ask all:

1. What is the name of your organization?

Ask all:

2. What is your job title within your organisation?

Ask all:

- 3. In the course of its work, has your organisation supported or given advice to anyone who has participated in online prize draws and competitions?
 - a) Yes
 - b) No
 - c) Don't know

Section 3: Closing question

Ask if not answered a) at Q3:

4. Please provide any other thoughts or concerns you would like to note about the online prize draws and competitions sector - including about potential for harm, behaviours of players and operators, and potential regulation. Potential regulation could be a code of

conduct prohibiting certain practices, but could also be similar to regulation which lotteries must abide by (e.g. the requirement for a license from the Gambling Commission, to pay gambling duty or to donate a certain proportion of their sales to good causes).

If not answered 3.a) at Q3 thank and close

Section 4: Evidence of harm

Ask all:

- 5. To the best of your knowledge, how widespread is participation in online prize draws and competitions among people that you have given support or advice to? If you are not sure, please provide your best estimate.
 - a) We rarely support people who have played such games/competitions (i.e. these people make up a very small proportion of the people we support)
 - b) We sometimes support people who have played such games/competitions (i.e. these people make up a notable minority of the people we support)
 - c) We very often support people who have played such games/competitions (i.e. these people make up the majority of the people we support)
 - d) Don't know

Ask all:

- Have you seen any harm coming to people as a result of playing online prize draws and competitions? This may include <u>gambling related</u> harm (e.g. addiction) or <u>non-gambling</u> <u>related</u> harm (e.g. the prizes were not as promised).
 - a) Yes
 - b) No
 - c) Don't know

Ask if answered a) at Q6:

7. Please describe the harm that you have seen coming to people as a result of playing online prize draws and competitions. Please describe whether this is <u>gambling related</u> harm (e.g. addiction) or <u>non-gambling related</u> harm (e.g. the prizes were not as promised) as well as the severity of this harm.

Ask if answered 6.a) at Q6:

8. And how does this harm compare to that caused by other forms of gambling?

Ask if answered 6.a) at Q6:

9. Of the people supported by your organisation who have played online prize draws and competitions, do you think that the problems they experience are <u>mostly</u> a result of their participation in <u>online prize draws and competitions</u> or as a result of <u>other gambling activities</u>?

Section 5: Characteristics and behaviours of consumers

Ask all:

- **10.** Considering the people supported by your organisation who play online prize draws and competitions, how would you characterise the amounts they typically spend on these in a month, relative to their means?
 - a) Small (inconsequential) amounts
 - b) Not inconsequential amounts, but no more than they can afford
 - c) A little more than they can afford
 - d) A lot more than they can afford
 - e) Don't know

Ask all:

11. Do you think that any of the following groups are **particularly** susceptible to **harm** from online prize draws and competitions? Please select all that apply.

- a) Children under 18
- b) 65+ year olds
- c) Members of certain ethnic minorities
- d) Disabled people
- e) Low income individuals
- f) People living with mental health problems
- g) People living with physical health problems
- h) People with large debts
- i) People that also gamble heavily in other ways
- j) None of the above

Section 4: Behaviour of operators

Ask all:

- **12.** In your opinion, are there any particular practices used by operators of online prize draws and competitions that lead to or exacerbate harm to consumers?
 - a) Yes
 - b) No
 - c) Don't know

Ask if Q12 = a):

13. Please explain which practices used by online prize draw and competition operators lead to or exacerbate harm to consumers, and why you think these practices are harmful.

Ask all:

- **14.** How well do you think operators of online prize draws and competitions prevent children from playing?
 - a) Very well
 - b) Reasonably well
 - c) Badly
 - d) Very badly
 - e) Don't know

Section 6: Potential interventions

We will now ask you about some examples of potential regulatory interventions in the online prize draws and competitions market. We are interested in hearing any insights you may have about the likely effects of these example interventions.

Please take a moment to read the following potential interventions in the prize draws and competitions market:

- The running of prize draws and competitions is made subject to a licence from the Gambling Commission <u>with</u> (i) player protection and transparency obligations (ii) limits on ticket sales and prizes and (iii) a requirement to give 20% of proceeds to charity (similar to society lotteries), <u>but without</u> liability to pay gambling duty.
- The running of prize draws and competitions is made subject to a licence from the Gambling Commission <u>with</u> (i) player protection and transparency obligations and (ii) liability to pay gambling duty, <u>but without</u> limits on ticket sales and prizes or a requirement to give 20% of proceeds to charity.
- The running of prize draws and competitions is made subject to a voluntary code of practice for operators covering player protection, transparency, charity donations.

Ask all:

15. Do you consider that there should be more regulation of the online prize draws and competitions market? Please explain why or why not.

Ask all:

16. In your opinion, how beneficial or damaging would each of the following potential interventions be in terms of their impact on people who have experienced or may be vulnerable to gambling harm?

The running of prize draws and competitions is made subject to...

- a) ...a licence from the Gambling Commission <u>with</u> (i) player protection and transparency obligations; (ii) limits on ticket sales and prizes; and (iii) a requirement to give 20% of proceeds to charity (similar to society lotteries), <u>but</u> <u>without</u> liability to pay gambling duty
- b) ...a licence from the Gambling Commission <u>with</u> (i) player protection and transparency obligations and (ii) liability to pay gambling duty, <u>but without</u> limits on ticket sales and prizes or a requirement to give 20% of proceeds to charity
- c) ...a voluntary code of practice for operators covering player protection, transparency, charity donations
- i. Very beneficial
- ii. Somewhat beneficial
- iii. Neither beneficial nor damaging
- iv. Somewhat damaging
- v. Very damaging
- vi. Don't know

Ask all:

17. Please provide any other thoughts you may have on the example interventions that we just asked you about, including any impact they may have on people who are experiencing or might be vulnerable to harm as well as any unintended consequences.

Survey of charities supported by PDCs

Approach

The survey of charities supported by PDCs was conducted between January 10th 2024 and January 19th 2024. It was run using the SmartSurvey platform and disseminated via email. Charities supported by PDCs were identified through a review of charity links highlighted on operator websites. Contact details for these charities were then obtained through the repository of contact details on the Charity Commission website. These contact details were then supplemented by charity partner contact details provided by three operators that answered the operator surveys. In total, 19 organisations completed the survey.

Limitations

As discussed in section 2.2.2, some charities reported that they were not even aware of having received donations from operators of PDCs. The evidence suggests that this is likely because, while some (typically larger) operators have established partnerships with charities, some operators simply make donations to charity after running their PDCs. Therefore, a donation from a PDC operator will sometimes just be processed by charities in the same way as any other donation that might be made and therefore will not be noticeable. It is therefore likely to be the case that respondents to this survey are more likely to be charities which do have established partnerships with PDC operators rather than those which receive one off donations. This is particularly likely to be the case given some of the contact details from the survey came directly from PDC operators. Therefore, the results of this survey need to be interpreted with the appropriate caution.

Questionnaire

Section 1: Introduction for respondents

Introduction p.1

In this survey we will ask you about online prize draws and competitions. This survey is being conducted by London Economics on behalf of the Department for Culture, Media & Sport (DCMS) as part of their work exploring whether and, if so, how certain types of prize draws and competitions might be regulated in future.

We are interested in gaining insights from charities, such as yours, who may have received funds from online prize draws or competitions or might consider doing so in the future. The survey should take at most 10 minutes to complete.

All information that you provide will be treated in confidence by London Economics, used only for this study, and presented in a report to DCMS in anonymised and aggregated form. Underlying data collected will be anonymised and will not be shared with any other party other than DCMS.

We will ask you about the importance to your organisation of being able to receive funds from online prize draws and competitions, and the impact of possible regulatory interventions regarding online prize draws and competitions.

While answering these questions please answer from the perspective of your organisation. In the questions, when we say 'you'/'your' we are referring to your organisation.

The privacy policy explaining how we would use your responses can be found in the link below: Privacy policy

Introduction p.2

In this survey, the phrase 'prize draws and competitions' refers to games that are similar to lotteries in that it is possible to win a prize. However, they differ from lotteries in one or more key ways, including that they have a 'free entry route' (often by post) and/or a 'skilled' element (e.g. a question players must answer). These differences mean that (technically) they are not lotteries and so are not regulated by the Gambling Commission.

Some of the money raised may go to good causes, but there is no legal requirement for this.

Examples of websites offering prize draws and competitions include Omaze, Raffle House, and Elite Competitions. Lotteries such as the National Lottery, the Health Lottery, and the People's Postcode Lottery are <u>not</u> prize draws and competitions.

Section 2: Organisation information

Please note, throughout this survey when we refer to funds your organisation may 'receive' from online prize draws and competitions, we are referring to both:

- Funds which may have been earned through online prize draws and competitions your organisation runs itself (possibly using an agency)
- Funds donated to you from online prize draws and competitions run by other organisations, e.g. businesses (possibly, but not necessarily, following active efforts by you to raise funds from these organisations).

Ask all:

S1. What is the name of your organisation?

Ask All:

S2. What is your job title within your organisation?

Ask All:

- **S3.** How many people are employed in your organisation?
 - a) 1-9
 - b) 10-49
 - c) 50-249
 - d) 250 or more

e) Don't know

Ask all:

- **S4.** To the best of your knowledge, has your organisation ever received funds from online prize draws or competitions?
 - a) Yes
 - b) No
 - c) Don't know

Section 3: Reasons for not receiving funds from online prize draws and competitions

Ask if b) or c) answered at S4

- **S5.** What are the reasons that your organisation has not received funds from online prize draws or competitions? Please select all that apply.
 - a) We do not know what online prize draws and competitions are
 - b) We do not have any contacts in the online prize draws and competitions industry
 - c) We have spoken to businesses that run online prize draws and competitions but were not successful in receiving funds in this way
 - d) We have concerns about the online prize draws and competitions industry
 - e) It is not worthwhile to seek funds from online prize draws and competitions as other methods of obtaining funds are more cost-effective
 - f) Other [please describe]
 - g) Don't know

Ask if b) or c) answered at S4

S6. Would you consider receiving funds from online prize draws and competitions in the future?

- a) Yes
- b) No
- c) Don't know

Ask if b) or c) answered at S4

S7. Please provide any thoughts you may have on the idea of increased regulation in the online prize draws and competitions market. Potential regulation could be a code of conduct prohibiting certain practices, but could also be similar to regulation which lotteries must abide by (e.g. the requirement for a license from the Gambling Commission, to pay gambling duty or to donate a certain proportion of their sales to good causes).

[If a) not answered for S4, THANK AND CLOSE]

Section 4: Receiving funds from online prize draw and competitions

Ask All:

- 1. Do you receive funds from online prize draws and competitions on an ongoing basis or did you receive funds as a one-off?
 - a) Ongoing basis, regular payments
 - b) Ongoing basis, irregular payments after certain prize draws or competitions

- c) One-off
- d) Don't know

Ask All:

- 2. Do you receive, or have you received, funds from online prize draws or competitions that you run yourselves (possibly via an agency), that are run by other organisations (e.g. businesses), or both?
 - a) Run by ourselves (possibly via an agency)
 - b) Run by other organisations
 - c) Both run by ourselves (possibly via an agency) and run by other organisations
 - d) Don't know

Ask All:

3. Please briefly explain the <u>advantages</u> for your organisation of receiving funds from online prize draws and competitions. If you run these yourself *and* receive funds from those run by other organisations, please discuss the advantages of both methods of receiving funds separately.

Ask All:

4. Please briefly describe the <u>disadvantages</u>, if any, of receiving funds from online prize draws and competitions. If you run these yourself *and* receive funds from those run by other organisations, please discuss the disadvantages of both methods of receiving funds separately.

Ask All:

- 5. Thinking about the next three years, how do you think that the amount of funds you receive from online prize draws and competitions will change?
 - a) Increase
 - b) Stay about the same
 - c) Decrease
 - d) Don't know

Ask if 5 = a):

- 6. And what is the main reason you think the amount of funds you receive from online prize draws and competitions will increase? Is it because:
 - a) The size of the online prize draws and competitions industry will increase
 - b) Businesses that run online prize draws and competitions will donate a larger proportion of their revenues
 - c) Other [please explain]
 - d) Don't know

Ask if Q5 = c):

- 7. And what is the main reason you think the amount of funds you receive from online prize draws and competitions will decrease? Is it because:
 - a) The size of the online prize draws and competitions industry will decrease
 - b) Businesses that run online prize draws and competitions will donate a smaller proportion of their revenues

- c) Other [please explain]
- d) Don't know

Ask All:

- 8. Does your organisation receive funds from <u>lotteries</u> / from <u>lottery operators</u>, as well as from online prize draws and competitions? (Note that, as explained earlier, prize draws and competitions are similar to lotteries but have one or two key features which mean that, unlike lotteries, they are not regulated by the Gambling Commission.)
 - a) Yes
 - b) No
 - c) Don't know

Ask All:

- **9.** How important do you consider financial support from online prize draws and competitions to be for your organisation?
 - a) Very important
 - b) Quite important
 - c) Not that important
 - d) Not at all important
 - e) Don't know

Ask All:

10. And why is this? When answering this question, please consider whether financial support from online prize draws and competitions may allow you to raise the profile of your charity, receive money from people who wouldn't normally support your charity or receive more money from existing donors to your charity.

Ask All: NUMERICAL CODE

11. Please estimate what proportion of your organisation's funding during the past three financial years came from online prize draws and competitions (whether run by yourselves (possibly via an agency) or by other organisations).

Section 5: Potential interventions in the online prize draws and competitions market

We will now ask about how potential regulatory interventions in the online prize draws and competitions market may impact your organisation.

Ask All:

- 12. These interventions may impose rules on businesses that run online prize draws and competitions which may restrict their ability to conduct business as they normally do. To the extent that this may reduce their ability to make donations, would this have a negative impact on the ability of your organisation to carry out its activities as it currently does?
 - a) Yes
 - b) No

c) Don't know

Ask All:

- **13.** Now think about a scenario where financial contributions from online prize draws and competitions to your organisation were reduced. Do you think you would be able to make up for the lost donations?
 - a) Yes, I think we would be able to make up for all of the lost donations
 - b) Yes, I think we would be able to make up for some of the lost donations
 - c) No
 - d) Don't know

Ask if Q13 = a) or b):

- **14.** And from what sources would you make up these donations in the event that contributions from businesses that run online prize draws and competitions were reduced?
 - a) Lotteries
 - b) Other [please describe]
 - c) Don't know

Ask All:

15. Please provide any other thoughts you may have on the idea of increased regulation in the online prize draws and competitions market.

Annex 3 Estimation methodology

This annex provides further detail on the methodology used to obtain quantitative estimates for this research.

Size of the PDC industry

The total size of the PDC market was estimated using the following steps:

- Step 1: Calculating the number of players of PDCs. The proportion of the population that take part in PDCs was obtained using the consumer screener survey. This was then multiplied by the number of adults in the UK using ONS¹ data. A lower and upper estimate for the number of players was estimated by calculating a 95% confidence interval for the proportion of players that play PDCs based on the screener survey sample size of 2063.
- Step 2: Calculating the average annual spend on PDCs by a PDC player. The average annual spend by PDC players was informed by question 7 of the consumer survey. Answers were transformed from banded responses to numbers using the following approach:²

Table 2 Transforming banded responses to numbers

Type of band	Lower estimate	Middle estimate	Upper estimate
0 to x	0	0.5x	x
x to y	X	0.5(x+y)	У
More than y	у	1.5y	2у

Step 3: Calculating the size of the PDC market. This was obtained by multiplying the quantities obtained at steps 1 and 2. The lower estimate uses the 95% confidence interval lower bound from step 1 and the upper estimate uses the 95% confidence interval upper bound from step 1.

Estimates based on the operator survey

The operator survey asked respondents to provide information on the number of competitions and entries they receive as well as the average cost of their entries as well as the value of prizes. This enabled the calculation of several different quantities (outlined below). It should be noted that some operators were unwilling or unable to provide a response to all relevant questions needed for the calculation of these quantities. This meant a decision needed to be made on how to treat missing data, and two different approaches were adopted. In one approach, only operators which provided all relevant data were included in the analysis. In the second approach, all populated data was included (i.e. if an operator provided information on their number of monthly entries but not their average cost per entry then their data would be included in the calculation of the number of entries per competition but not on the average cost per entry). Both approaches yielded broadly similar results, but (where appropriate) in the report above an estimated range is presented to reflect the fact that the treatment of missing data influences the estimate.

¹ ONS. (2022). Estimates for the population for the UK, England, Wales, Scotland and Northern Ireland.

² A similar approach was used to transform other banded variables throughout this research.

Proportion of entries that are free

This is calculated by taking the response on the proportion of each operator's entries are free (from Q6) and then weighting this by the total number entries (from Q6 and Q7).

Number of entries per competition

The total number of monthly entries for each operator was obtained by taking the number of paid entries (from Q7) and dividing by the proportion of entries received that are paid (from Q6). To obtain the number of entries per competition, this was then divided by the number of competitions per month (from Q2). To calculate an average across operators, this was weighted by the number of monthly competitions run by that operator (from Q2).

Average value of prizes per competition

The estimate for the average prize value for PDCs was obtained by taking an average of the average prize value offered by each operator (from Q12) weighted by the number of monthly competitions offered by that operator (from Q2).

Revenue per month

This was obtained for each operator by multiplying the number of paid entries received per month (from Q7) by the average price of paid entries (from Q9).

Average cost per entry

To obtain cost per entry for each operator this was then and then dividing by dividing the revenue per month by the total number of monthly entries (calculated as above). This was then weighted by the number of entries each operator receives per month (calculated as above).

Average spend per competition

Revenue per month is divided by the number of competitions run by that operator (from Q2). To calculate the overall average, this is weighted by the number of competitions run by that operator (from Q2).

Prize value as a proportion of spend

This is calculated for each operator by dividing the average value of prizes by the average spend per competition (calculated as above). To calculate the overall average, this is weighted by the revenue per month for each operator (calculated as above).

Charity donations as a proportion of spend

For each operator, this is from Q14 and Q15. To calculate an average across operators, this is weighted by the revenue per month for each operator (calculated as above).

