



### Guidance

# Voluntary Code of Good Practice for Prize Draw Operators

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# **Context**

This Voluntary Code ("Code") focuses on prize draws and competitions (also known as "free draws") in Great Britain, where the outcome (and therefore allocation of prizes) is determined by chance, and where there is both a paid and free entry route [footnote 1] for players to choose between. These prize draws do not require a licence under the Gambling Act 2005 ("the Act") because they offer a free entry route. Where prize draw operators offer both a free entry route and a competition that relies on skill, judgement or knowledge by the participants ("skill-based") [footnote 2] then they should sign up to this Code to cover the free entry route aspect of their business. For clarity, this Code does not cover those operators who solely offer skill-based competitions. Such skill-based competitions must meet the relevant test contained within the Act to avoid being classed as a lottery.

Prize draws are a significant and growing market. The Department for Culture, Media and Sport commissioned independent research (https://www.gov.uk/government/publications/research-report-online-prize-draws-and-competitions-market-study-assessment-of-harm-and-review-of-potential-interventions/online-prize-draws-and-competitions-market-study-assessment-of-harm-and-review-of-potential-interventions) into the prize draws sector in 2023, which highlighted that the UK market is worth £1.3 billion annually with 7.4 million adult participants and over 400 operators. Whilst not requiring a licence under the Act, the research showed how prize draws sit adjacent to the gambling industry; with 88% of prize draw participants also participating in commercial gambling activities and lotteries over a 12 month period. This compares to 60% of adults who gamble in the general population.

This presents concerns when considering gambling harm, with the research presenting evidence of gambling harm amongst individuals who also play prize draws. The research found that players experiencing gambling harm participate in prize draws with greater frequency and spend much more than the general population. The research also concluded that there was scope for the prize draw sector to go further in order to reduce the risk of potential harm to players, and improve integrity and transparency, ranging from ensuring the free entry route is clear to all players, to ensuring support is available for players who are experiencing gambling-related harm.

This Code is agreed by the Government and a significant number of prize draw operators. It outlines key measures that prize draw operators are expected to implement to strengthen player protections and ensure that individuals who participate in these draws do so more safely. This Code has three distinct sections - Player Protections, Transparency, and Accountability - and seeks to outline measures that allow for economic growth whilst keeping players protected from potential harm.

This Code does not replace existing regulation and requirements for prize draw operators. This includes, but is not limited to, responsibilities related to

consumer protections, advertising codes and data protection compliance in accordance with the Data Protection Act 2018 and the UK General Data Protection Regulation. In particular, there are areas where this Code has similarities to measures in the UK Code of Non-broadcast Advertising and Direct & Promotional Marketing ("CAP") or the UK Code of Broadcast Advertising ("BCAP"). However, compliance with this Code does not by itself entail compliance with the CAP or BCAP codes (which include rules on a range of additional matters). The Advertising Standards Authority will continue to assess advertisements in relation to the CAP and BCAP codes and may find advertisements in breach even where an operator believes they have complied with this Code. In addition, for the avoidance of doubt, any failure to abide by this Code will not of itself constitute a breach of an operator's legal responsibilities.

# Implementation period

Signatories of the Code have agreed to implement it fully within 6 months from the date of publication and no later than **20 May 2026** (the "implementation date"). Signatories are expected to support other operators and share practices on how to implement the measures outlined. In the absence of an established industry trade body, signatories are also expected to work with operators who are not yet signatories to adopt these measures and subsequently sign this Code. Any operator who becomes a signatory to this Code following the implementation date shall ensure their full compliance with its contents at the outset.

## **Code review**

The Department for Culture, Media and Sport (DCMS) will have oversight of the Code, with DCMS reserving the right to delegate oversight to any industry trade body as necessary. DCMS (or such industry trade body if delegated) will periodically review the effectiveness of the Code and its implementation/compliance to ensure that it is fit for purpose. DCMS is confident that this Code, developed in collaboration with the sector, will strengthen player protections, increase transparency and improve accountability. However, should the Code not be suitably implemented or complied with, DCMS will consider all available options. DCMS reserves the right to amend the Code by consultation with its signatories, if it deems that reasonable changes are necessary. Where required, DCMS (or such industry trade body if delegated) will convene meetings of signatory organisations. Feedback on the Code can be sent to prizedrawcode@dcms.gov.uk.

# Good faith and compliance

All **operator signatories** of the Code agree to act in good faith in relation to the measures set out in the Code. Other **relevant signatories** who are not operators but are connected to the sector (e.g. web developers) agree to promote compliance with this Code to the best of their abilities.

In the event that it is felt that a person or organisation is not abiding by the measures in the Code, then this should first be raised with the relevant organisation (where appropriate). In the absence of a trade body, either/or both parties may also decide to contact DCMS at <a href="mailto:prizedrawcode@dcms.gov.uk">prizedrawcode@dcms.gov.uk</a>.

### **Definitions**

Throughout this Code, the below terms are defined as follows:

- "Operators" means organisations who operate prize draws where a player may purchase a ticket for a draw or enter through a free entry route.
- "Players" means people who participate in prize draws.
- "Prize draws" means prize draws and competitions (also known as "free draws") that do not currently require a licence under the Act because they offer a free entry route as well as a paid entry route.

# 1. Player protections

- 1.1 Operators should only make prize draws available for players aged 18 or over. Operators should implement a reasonable age verification process. Advertisements for prize draws should not be targeted at anyone below the age of 18.
- 1.2 Operators should have an appropriate, transparent and robust complaints process for players and, where required to resolve a complaint, an appropriate dispute resolution process for players.
- 1.3 Operators should not accept credit card payments in excess of £250 per month per player ("credit card limit"). Operators should not accept any credit card payments whatsoever for any instant win prize draws. To ensure a

smooth transition, operators who currently accept credit card payments should not accept credit card payments beyond this credit card limit, or accept credit card payments for any instant win prize draws, by the implementation date. This includes any payments made to operators by credit card through a money service business.

- 1.4 Subject to the credit card limit in clause 1.3, operators should set suitable and proportionate maximum monthly totals spend limits for all players, or provide the facility for players to set individual monthly total spend limits (in either case across all prize draws offered by the operator) which cannot be exceeded. For player-set limits, players should be reasonably able to set such limits either when they first register an account on an operator's website, or following completion of their first entry or purchase, and in any event before further entries are permitted. Operators should allow customers to set their individual spend limit at £0.
- 1.5 Operators should provide players with options to suspend their account temporarily or to close their account permanently. Any request for a temporary suspension of an account should be actioned by the operator in a timely manner and last for a minimum period of 6 months. During the period of suspension, the operator should not permit the player to take part in its prize draws, and should not send any marketing material (such as e-mail, text or promotional push notifications) to them. In addition, where technology is available, operators are also encouraged to provide a "pause" option for players where the player can set a shorter period (such as a week) in which they are unable to take part in its prize draws.
- 1.6 From the point when an account is opened, operators should make reasonable efforts to have in place effective systems and processes to monitor players' activity to identify harm or potential harm. This could include, but is not limited to, any financial harm or distress, excessive participation, social or psychological distress. Operators may consider a range of indicators in respect of this; for example, the frequency at which players reach their spend limit, player spend habits, behaviour and/or play pattern concerns, interaction with temporary suspension tools provided, staff interaction or self-reported information, or the regular use of multiple payment methods or frequent changes to payment methods.
- 1.7 Where operators are reasonably able to identify any indicators of harm for any player, they should take a tailored and proportionate approach to intervention to ensure the best resolution for the player that mitigates harm and encourages responsible play. This may include, when such indicators are significant, operators taking steps to prevent players from continuing to take part in their prize draws.
- 1.8 Operators should signpost players to available support for those experiencing harm (or those players that could be reasonably expected to experience harm). This should include relevant information on responsible play and available resources for dealing with such harm, as well as targeted

support for individuals who identify themselves as experiencing harm. This includes, but is not limited to, directing players towards relevant support services (subject to the type of harm being suffered) such as Citizens Advice, Money Advice Trust, National Debtline, Samaritans, Mind, or any other suitable support service.

- 1.9 Operators should ensure that an appropriate time period elapses between a prize draw opening and concluding with a view to encouraging responsible play.
- 1.10 Operators who offer instant win prize draws are expected to ensure compliance with, and equivalence between, the paid and free-entry routes as set out within clause 2.4. Alongside this, operators should ensure that they provide clear and transparent information to consumers as to how the free entry route works for such draws. Instant win prize draws should not form the majority of an operator's total number of competitions at any given time.
- 1.11 Operators should ensure that all marketing and advertising of their prize draws is undertaken in accordance with (where applicable) the CAP code and BCAP code. Additionally, any marketing should be undertaken in a socially responsible manner, particularly taking steps to protect children, young persons and other vulnerable persons from potential harm. This includes, but is not limited to, ensuring advertising does not suggest participating in prize draws provides an escape from personal, professional or educational problems. It should also not suggest participating in prize draws can be a solution to financial concerns, an alternative to employment or a way to achieve financial security.

# 2. Transparency

- 2.1 For every variant of prize draw product offered by an operator, players should be provided with a clear summary of how that prize draw will be conducted alongside the relevant rules and game mechanisms to ensure transparency and integrity of the draws themselves. This should include a statement that the prizes are to be awarded in accordance with the laws of chance.
- 2.2 Promoters of prize draws should ensure that prizes are awarded fairly in accordance with the rules and terms displayed to players. This should be by an independent person, or under the supervision of an independent person, unless winners are selected by a computer process that produces verifiably random and auditable results, or by a certified physical drawing machine. Entries to any variant of prize draw product offered by an operator (whether via the free entry route or the paid entry route) should have an equal chance

of winning each available prize. Physical drawing devices which are certified should not require supervision. Operators should provide details of the mechanism used for draws on their website.

- 2.3 Where possible, prior to entering a draw, operators should provide players with clear and easily accessible information regarding the likelihood of winning a prize and how prizes will be allocated. Whilst the exact likelihood of winning a prize will depend on the number of tickets sold, information of that nature could include, but is not limited to, the maximum number of tickets available (where applicable) or data from previous comparable prize draws.
- 2.4 Operators should clearly and prominently provide players with details of any "free entry" option(s) for the prize draw before the point of purchase, and in line with the requirements of the Act. Free entry routes may be (a) ordinary post (i.e. ordinary first- or second-class post, without special arrangements for delivery), or (b) any other method of communication which is neither more expensive nor less convenient than entering the draw by a paid entry route. To the extent required by the Act, all free entry routes should be publicised, promoted and displayed in such a way as to be likely to come to the attention of all potential players. Operators should ensure that the terms and conditions relating to any draw are such that the arrangements allow sufficient time for players to use any free entry route, so that any such entry may be validly received and entered into the draw. To the extent that a free entry route is not effective - where it does not offer a genuine choice to a person as to whether to participate by paying or by sending a communication - it is very likely to signify that persons are, in practice, required to pay to participate in the arrangement.
- 2.5 Operators should promptly provide the winning player with the advertised prize for a draw, or a reasonable cash alternative. To ensure the integrity of each draw, operators should not provide a prize of lower value due to low ticket sales, change the date on which a draw ends, or cancel a draw due to low ticket sales.
- 2.6 Operators who provide a charitable contribution as part of a prize draw (e.g. where charitable contributions are a percentage of sales or profits) are expected to outline clearly the parameters surrounding these contributions. Where possible, operators should ensure information is routinely published on how much is given to charity and the frequency of such contributions. In addition, where operators use this charitable contribution as part of their promotional activity, operators are expected to meet the requirements set out in the Code of Fundraising Practice

(https://www.fundraisingregulator.org.uk/code) and are encouraged to register with the Fundraising Regulator

(https://www.fundraisingregulator.org.uk/registration).

# 3. Accountability

- 3.1 Operators should have processes and systems to monitor and regularly review compliance with this Code. Where any inadequacies or improvements are identified, operators are expected to take swift action to ensure compliance with this Code.
- 3.2 Operators should take reasonable steps to ensure that all relevant Code requirements are also followed by any third-parties that support their prize draw operations (for example, affiliate marketers or draw-management partners). Operators should seek to manage compliance of third parties through contractual arrangements and consider terminating relationships with third parties who fail to comply with relevant Code requirements.
- 3.3 Operators should engage with other operators and work across the sector to share best practice in relation to player protections, transparency and accountability.
- 3.4 Operators should publish all of the measures they have in place with regards to player protections, transparency and accountability, ensuring their adherence with this Code is transparently displayed on their websites.
- 3.5 Operators are encouraged to work with the Department for Culture, Media and Sport on ensuring this Code remains fit for purpose and sharing any learnings or challenges.

# **Signatories**

Signatories (requests to become a signatory to the Code can be sent to prizedrawcode@dcms.gov.uk).

### **Operator Signatories**

Aspire Competitions
Blaze Competitions
BOTB
Click Competitions
Collie Competitions
Daymade

**Dream Car Giveaways** Elite Competitions **Hot Comps McKinney Competitions** Omaze **Palladium Competitions Paragon Competitions** Raffle House Raffolux **Rev Comps** Spin Competitions **Storm Competitions** The Giveaway Guys **Tommy French Competitions** Tramway Path **Pristine Competitions** 

7 Days Performance

### **Other Relevant Signatories**

Reffle Zap

1. As set out in section 14(6) and Schedule 2 of the Gambling Act 2005: <a href="https://www.legislation.gov.uk/ukpga/2005/19/section/14">https://www.legislation.gov.uk/ukpga/2005/19/section/14</a> (<a href="https://www.legislation.gov.uk/ukpga/2005/19/schedule/2">https://www.legislation.gov.uk/ukpga/2005/19/schedule/2</a> (<a href="https://www.legislation.gov.uk/ukpga/2005/19/schedule/2">https://www.legislation.gov.uk/ukpga/2005/19/schedule/2</a>)

2. As set out in section 14(5) of the Gambling Act 2005







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