

GAMBLING
COMMISSION



Regulating the National Lottery

Section 6

National Lottery Lotto

Licence under Section 6 of
The National Lottery etc. Act 1993

**LICENCE UNDER SECTION 6 OF
THE NATIONAL LOTTERY ETC. ACT 1993**

NATIONAL LOTTERY LOTTO

May 2020

**LICENCE UNDER SECTION 6 OF
THE NATIONAL LOTTERY ETC. ACT 1993**

The Gambling Commission in exercise of the powers conferred on it by Section 6 of the National Lottery Act hereby grants to Camelot UK Lotteries Limited a licence to promote lotteries of the description specified in Schedule 1 hereto subject to the Conditions contained in Schedules 2 and 3 hereto (“this Licence”).

This Licence shall have effect from 1 February 2014 and (unless suspended or revoked pursuant to the provisions of the National Lottery Act and/or the Third Licence) shall have effect until the date on which the Third Licence determines for whatever reason.

Signed on behalf of the Gambling Commission

Head of Licensing and Enforcement

May 2020

Issue 3

Version 2

National Lottery Lotto

Interpretation

1. In this Licence (including the Schedules):

“Base Draw¹” means the first Lotto Draw that takes place after a Lotto Draw in which the jackpot is won or distributed amongst cash prize categories in a Must Be Won Draw;

“Entry” means a Lotto entry in a Licensed Lottery in one or more Draws;

“Game Procedures” means the Lotto Retail Game Procedures as set out in Part A of Schedule 3 to this Licence (via hyperlink) and the Lotto Online Game Procedures as set out in Part B of Schedule 3 to this Licence (via hyperlink);

“Licensed Lottery” means the lottery, the promotion of which is authorised by this Licence;

“Lotto entry” means an entry in the Lotto game, which has been recorded as an entry on the Licensee’s central computer system;

“Lotto” means the Lotto game described in the Game Procedures;

“Lotto Key Procedure²” means the Lotto Prize Reserve Trust and Variable Prize Payout procedure which has been designated a Key Procedure pursuant to Condition 5.12A of the Third Licence and which details the principles governing the Prize Reserve Trust Account No.6 (PRT6), the Prize Reserve Trust Account No.5 (PRT5), and the application of the funds received into both Trust Accounts, following agreed variations to the Section 6 National Lottery Lotto Licence (the “Lotto Licence”), effective from 18 November 2018;

“Lotto Reserve Fund³” is a term used in the Game Procedures in reference to money accumulated in PRT5, the arrangements for which are set out in this Licence and the Lotto Key Procedure;

“Must Be Won Draw⁴” has the meaning given to it in Condition 9(2) of Schedule 2;

“Permitted Territory” means the European Economic Area;

“Play” means an Entry by a Registered Player in the Licensed Lottery via the Interactive Platform otherwise than by Subscription;

“Prizewinner” means a person who has won a prize in a Licensed Lottery;

¹ Licence varied by consent on 21 November 2018

² Licence varied by consent on 21 November 2018

³ Licence varied by consent on 21 November 2018

⁴ Licence varied by consent on 21 November 2018

“Promotional Draw⁵” means a Lotto related promotion with specific funding arrangements as agreed by the Commission in advance and in accordance with the Lotto Key Procedure;

“PRT5” means Prize Reserve Trust Account No 5 and has the meaning set out in the Trust Deed pursuant to which the Players’ Trust is constituted. Money accumulated in PRT5 is referenced by use of the term “Lotto Reserve Fund” in the Game Procedures;

“PRT6⁶” means Prize Reserve Trust Account No 6 and has the meaning set out in the Trust Deed pursuant to which the Players’ Trust is constituted;

“Subscription Facility” means a procedure adopted by the Licensee which enables members of the public who are eligible to purchase Tickets to participate in the Licensed Lotteries for a multiple number of Draws other than by purchasing a Ticket in a Retail Outlet;

“Term” means the period for which the Commission grants the Licence to the Licensee;

“Third Licence” means the licence granted to the Licensee on 1 February 2009 by the Commission under Section 5 of the National Lottery Act, as varied from time to time; and

“Ticket” means an Entry in a Licensed Lottery by way of a ticket purchased or issued otherwise than via the Interactive Platform or by way of a Subscription and includes any document providing evidence of a person’s such Entry in a Licensed Lottery.

2. Unless the context otherwise requires the interpretation provisions contained in Condition 2 to the Third Licence shall apply to this Licence as if that condition were incorporated in this Licence.

3. So far as not inconsistent therewith, words and expressions defined in the Third Licence shall bear the same meaning in this Licence as they have in the Third Licence.

4. Nothing in these conditions shall in any way limit or prejudice the effect of or any obligation of the Licensee to comply with any regulations which may be made by the Secretary of State under Section 12 of the National Lottery Act, whether made before or at any time after the date of this Licence.

⁵ Licence varied by consent on 21 November 2018

⁶ Licence varied by consent on 21 November 2018

SCHEDULE 1

Description of the Licensed Lotteries

1. Name

Each lottery promoted as a Licensed Lottery shall be known as "Lotto".

2. Matrix

A Lotto entry shall comprise a selection of six different numbers between one and fifty-nine inclusive, such selection being made by a participant or, at the participants choice, randomly generated on behalf of a participant.

3. Winning Entries

Winning Entries in the Licensed Lottery shall be determined by way of a series of Draws.

4. Prize Structure

The prize structure for the Licensed Lottery shall be that set out in the Game Procedures.

5. Entries

Each Entry shall be recorded on the Licensee's central computer system by way of a Ticket, a Play or a Subscription.

6. Price

Save with the consent of the Commission, the price of each Entry shall be £2 (two pounds sterling).

7. Area

Entries shall be offered for sale on a national basis, throughout the United Kingdom and the Isle of Man. Tickets shall be available in all Retail Outlets. Plays shall be available via the Interactive Platform. Subscriptions shall be available through the Subscription Facility.

SCHEDULE 2

Conditions relating to the sale of Tickets, Plays and Subscriptions

1. Sale of Tickets

- (1) The Licensee shall not sell or offer for sale, and shall use all reasonable endeavours to ensure that no person shall sell or offer for sale, any Ticket in the Licensed Lottery outside the Permitted Territory without the prior consent of the Commission provided always that the Licensee may (itself or through its duly authorised agent) whether within or outside the Permitted Territory sell or offer for sale any Ticket to a person reasonably believed to be a member of the armed forces of the Crown in a post outside the United Kingdom.
- (2) For the purpose of this Condition a Ticket shall be treated as sold outside the Permitted Territory if:
 - (a) it is sold or offered for sale at or from premises located outside the Permitted Territory;
 - (b) it is delivered or sent to the participant at a place outside the Permitted Territory; or
 - (c) at the time of the sale of the Ticket, the person by whom the Ticket is sold reasonably believes that payment of any prize in respect of the Ticket is to be made to a person or for the credit of an account at a place outside the Permitted Territory.

2. Sale of Plays

A Play shall be treated as sold by the Licensee to a Registered Player when he or she indicates his or her consent to making a Play in accordance with the Lotto Interactive Game Procedures and at such time part of the funds available in that Registered Player's Account shall be drawn down from that Account to purchase the relevant Play.

3. Withdrawal of the sale of Plays

The Licensee shall forthwith withdraw the sale of Plays when so required by the Commission at the Commission's sole discretion.

4. Suspension of the Third Licence

If the Third Licence is suspended under the National Lottery Act, the Licensee shall not promote any Licensed Lottery pursuant to this Licence (and in particular shall not permit any Tickets to be sold or Plays to be made in any Licensed Lottery) without the prior consent of the Commission.

5. Public Announcements

The Licensee shall make such public or other announcements as the Commission shall direct with a view to remedying any failure by the Licensee to comply with the terms of this Licence or (whether or not any such failure shall have occurred) if the Commission reasonably believes that such announcement is appropriate or necessary in order to protect the interests of participants in the Licensed Lottery. Any such announcement shall be made at the expense of the Licensee and may be required to be made by way of any electronic means, including on the Interactive Platform, or by way of paid advertisement in such number of national or regional newspapers as the Commission may specify or by way of circulars posted to participants in the Licensed Lottery or in such other manner (including by paid television or radio advertisement) as the Commission may reasonably require.

6. Privacy

- (1) Save as required by law, the Licensee shall not disclose (other than to the Commission) the identity of:
 - (a) any player, Registered Player or Prizewinner without the prior consent of that player, Registered Player or Prizewinner, or
 - (b) any other person or persons identified by a Prizewinner (a) as a member of the Prizewinner's playing group (being any group of persons who have agreed to contribute to a pool of funds for the purpose of playing the Licensed Lottery) and (b) as thereby entitled to a share of the Prizewinner's prize (provided that the Licensee shall be entitled, for the purposes of this Condition, to rely, without further enquiry, on the accuracy, completeness and comprehensiveness of any such identification).
- (2) For the purposes of this Condition 6(1), a sound made by a lottery terminal to indicate that a winning ticket has been presented in a Licensed Lottery and/or the presentation of a prize entitlement message, shall not of itself constitute disclosure of the identity of a Player, Registered Player or Prizewinner (or any other person referred to in Condition 6(1) (b) above).

7. Promotional Draws⁷

- (1) The Licensee may utilise the amounts sitting to the credit of the Lotto Reserve Fund to run Promotional Draws from time to time.
- (2) The Licensee shall notify the Commission of its intention to use funds from the Lotto Reserve Fund before running Promotional Draws, in accordance with the Lotto Key Procedure

⁷ Licence varied by consent on 21 November 2018

- (3) The rules surrounding the use of the Lotto Reserve Fund are set out in the Trust Deed and the Lotto Key Procedure.

8. Prize Reserve support for Base Draws⁸

The Licensee may utilise the amounts sitting to the credit of the Lotto Reserve Fund to top up the jackpot value for Base Draws, in accordance with the Lotto Key Procedure.

9. Jackpot rollover thresholds⁹

- (1) The jackpot can roll five times.
- (2) If the jackpot is not won in the fifth rollover Lotto Draw (the sixth consecutive Lotto Draw in which the jackpot is not won, known as the “**Must Be Won Draw**”), it will be distributed amongst the remaining cash prize categories in which there is at least one winner, in the percentages agreed by the Licensee and the Commission, as set out in Schedule 4 of this Licence.
- (3) The Licensee can designate any Lotto Draw a Must Be Won Draw for promotional purposes as set out within the Lotto Key Procedure. The Licensee will advertise details of any such Must Be Won Draw in advance of it taking place and provide the Commission with at least one calendar month’s advance notice¹⁰

10. Variable Prize Payout¹¹

- (1) 50% of sales for each Lotto Draw will be available to be paid out in prizes (the “Prize Fund”). 4.39% of sales for each Lotto Draw will be allocated from the Prize Fund to the Lotto Reserve Fund for the payment of prizes in line with Conditions 7 and 8 of Schedule 2 of this Licence and the Lotto Key Procedure.
- (2) The actual prizes won in a Lotto Draw may be lower or higher than 50% of sales for that Draw, depending on whether there is a low or high number of fixed prizes won.
- (3) Where there is a lower than statistically expected number of fixed prizes won, any difference in the value of prizes won and the Prize Fund of 50% will be paid to PRT6, in accordance with the Lotto Key Procedure.
- (4) Where there is a higher than statistically expected number of fixed prizes, any difference in the value of prizes won and the Prize Fund of 50% will be paid for out of PRT6, subject to the provisions set out in the Lotto Key

⁸ Licence varied by consent on 21 November 2018

⁹ Licence varied by consent on 21 November 2018

¹⁰ Licence varied by variation on 27 May 2020

¹¹ Licence varied by consent on 21 November 2018

Procedure (such provisions including arrangements in the event of there being insufficient funds in PRT6 to top up the Prize Fund).

11. Prize Capping¹²

(1) Match 3 to Match 5 + Bonus Ball

If 35.82% of sales for a Lotto Draw plus the amount agreed by the Licensee and the Commission (£35million as at November 2018), is not enough to pay the Match 2 to Match 5 + Bonus Ball prizes for that Lotto Draw then the Match 3 to Match 5 + Bonus Ball prizes will be subject to capping. The capping procedure is set out in Section I of the Lotto Online Game Procedures and in the “What is Prize capping” section of the Lotto Retail Game Procedures.

(2) Jackpot Prize capping

Where required, the Licensee shall use PRT6 to top up the jackpot prize fund so that each Match 6 winning Lotto entry will receive at least the same value as a Match 5 + Bonus Ball winning Lotto entry (including for Promotional Draws). The amount of money available to top up each winning Lotto entry in the jackpot prize category is limited to £7million. If £7million is not sufficient to top up each Match 6 winning Lotto entry to the same value as the Match 5 + Bonus Ball prize category then the amount available for distribution amongst winning Lotto entries in the jackpot prize category will be the jackpot plus £7million, and the prize per winning Lotto entry in the jackpot prize category may be less than the Match 5 + Bonus Ball prize category.

12. Draw Frequency

Draws for the Licensed Lotteries shall take place on every Wednesday and Saturday during the Term or such other day as the Commission may agree.

13. Draw Procedures

The Licensee shall conduct all Draws in respect of each Licensed Lottery in accordance with Draw procedures.

14. Excessive Participation in Constituent Lotteries

If, in the opinion of the Commission, the promotion of any Licensed Lottery shall, alone or together with any other factor including but not limited to the promotion of any other Licensed Lottery, have resulted or be likely to result in excessive participation in Constituent Lotteries by any person or group of persons or generally, the Commission may require the Licensee to suspend (from such date and for such period as it may specify or indefinitely) the

¹² Licence varied by consent on 21 November 2018

promotion of or sale of Tickets, Plays or Subscriptions for future Licensed Lotteries.

15. General

- (1) Any condition contained in the Third Licence that is relevant to or bears upon the promotion of the Licensed Lotteries by the Licensee pursuant to this Licence, including, but without limitation, Condition 12, shall, so far as is not inconsistent with this Licence, apply to this Licence as if that condition were incorporated in this Licence.
- (2) The Commission's rights and remedies pursuant to this Licence in relation to a breach of any condition that has been incorporated into this Licence by virtue of Condition 15(1) shall be restricted to the revocation of this Licence.
- (3) Nothing in this Condition 15 shall restrict the Commission's rights or remedies pursuant to the Third Licence that is also a breach of this Licence by virtue of Condition 15(1).

SCHEDULE 3: PART A

Lotto Retail Game Procedures

Please refer to the Players' Guide which contains the Lotto Retail Game Procedures and is accessible by accessing this link:

<https://www.national-lottery.co.uk/games/in-store/players-guide/lotto>

SCHEDULE 3: PART B

Lotto Online Game Procedures

Please refer to The National Lottery website which contains the Lotto Online Game Procedures and is accessible by accessing this link:

<https://www.national-lottery.co.uk/games/lotto/game-procedures>

SCHEDULE 4¹³

Must Be Won Draw jackpot prize distribution scenarios where there is no Match 6 jackpot winner.

Scenario 1 - No Match 6 jackpot winner

Prize Tier	Allocation of Must Be Won jackpot by Prize Tier
M3	74%
M4	17%
M5	6%
M5+BB	3%

Scenario 2 - No Match 6 or Match 5 + Bonus Ball winner

Prize Tier	Allocation of Must Be Won jackpot by Prize Tier
M3	76.3%
M4	17.5%
M5	6.2%
M5+BB	-

Scenario 3 - No Match 6, Match 5 + Bonus Ball or Match 5 winner

Prize Tier	Allocation of Must Be Won jackpot by Prize Tier
M3	81.3%
M4	18.7%
M5	-
M5+BB	-

Scenario 4 – No Match 6, Match 5 + Bonus Ball, Match 5, or Match 4 winner

Prize Tier	Allocation of Must Be Won jackpot by Prize Tier
M3	100%
M4	-
M5	-
M5+BB	-

¹³ Licence varied by consent on 21 November 2018

Scenario 5 – No Match 6 or Match 5 winner

Prize Tier	Allocation of Must Be Won jackpot by Prize Tier
M3	78.7%
M4	18.1%
M5	-
M5+BB	3.2%

Scenario 6 - No Match 6 or Match 4 winner

Prize Tier	Allocation of Must Be Won jackpot by Prize Tier
M3	89.2%
M4	-
M5	7.2%
M5+BB	3.6%

Scenario 7 – No Match 6 or Match 3 winner

Prize Tier	Allocation of Must Be Won jackpot by Prize Tier
M3	-
M4	65.4%
M5	23.1%
M5+BB	11.5%

Scenario 8 – No Match 6, Match 5 + Bonus Ball, or Match 4 winner

Prize Tier	Allocation of Must Be Won jackpot by Prize Tier
M3	92.5%
M4	-
M5	7.5%
M5+BB	-

Scenario 9 – No Match 6, Match 5, or Match 4 winner

Prize Tier	Allocation of Must Be Won jackpot by Prize Tier
M3	96.1%
M4	-
M5	-
M5+BB	3.9%

Scenario 10 – No Match 6, Match 5 + Bonus Ball, or Match 3 winner

Prize Tier	Allocation of Must Be Won jackpot by Prize Tier
M3	-
M4	73.9%
M5	26.1%
M5+BB	-

Scenario 11 – No Match 6, Match 5, or Match 3 winner

Prize Tier	Allocation of Must Be Won jackpot by Prize Tier
M3	-
M4	85.0%
M5	-
M5+BB	15.0%

Scenario 12 – No Match 6, Match 4, or Match 3 winner

Prize Tier	Allocation of Must Be Won jackpot by Prize Tier
M3	-
M4	-
M5	67.0%
M5+BB	33.0%

Scenario 13 – No Match 6, Match 5 + Bonus Ball, Match 5, or Match 3 winner

Prize Tier	Allocation of Must Be Won jackpot by Prize Tier
M3	-
M4	100%
M5	-
M5+BB	-

Scenario 14 – No Match 6, Match 5 + Bonus Ball, Match 4, or Match 3 winner

Prize Tier	Allocation of Must Be Won jackpot by Prize Tier
M3	-
M4	-
M5	100%
M5+BB	-

Scenario 15 – No Match 6, Match 5, Match 4, or Match 3 winner

Prize Tier	Allocation of Must Be Won jackpot by Prize Tier
M3	-
M4	-
M5	-
M5+BB	100%