

Gambling consultation- Draft response from Chartered Institute of Fundraising.

[High stakes: gambling reform for the digital age - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/high-stakes-gambling-reform-for-the-digital-age)

11. To what extent do you agree with the proposed new requirement relating to consumer choice and direct marketing?

Response: Strongly Disagree

We are responding to this consultation on behalf of our members, fundraisers and fundraising organisations across the UK. Many of those members use society lotteries as part of their fundraising, and that activity brings in vital income which means charities are able to make a bigger difference for their communities and beneficiaries.

If the proposals relating to direct marketing, consent and clear opt-in offers for promotion of society lotteries are taken forward, then this would have a detrimental impact on charity fundraising and we urge the Gambling Commission to carefully consider how they can ensure that the marketing of society lotteries is regulated proportionately.

We see no compelling case put forward nor evidence cited that lotteries and raffles run by or for charities causes harm or distress to the public, or leads to problem-gambling behaviour. Society lotteries are not an area of fundraising that is complained about by the public to the Fundraising Regulator, and in previous consultations around society lottery limits and operation there has been a great deal of evidence provided that society lotteries are thought about and interacted with differently than other gambling products.

The statistics provided in the consultation's background information on this proposal relate to direct marketing sent to promote bingo, slots and casinos. It does not include any information or rationale for why it is necessary to extend this rule to society lotteries when there is no evidence of direct marketing relating to lotteries leading to complaints or harms. Additionally, none of the Fundraising Regulator's investigations have related to society lotteries or the sending of direct marketing in relation to them – <https://www.fundraisingregulator.org.uk/complaints/investigations>

While we appreciate that wider marketing of high-risk gambling products may require consent for all marketing, we do not believe that this is appropriate or needed for society lotteries. For society lotteries to be included in this change, we would expect the Gambling Commission to be able to provide evidence and a compelling case for them to be specifically included in this regulatory change. It seems to us that society lotteries are perhaps being inadvertently caught up in a wider move to solve a problem about marketing of other lottery and gambling products. We urge the Gambling Commission to review this, to consider exempting society lotteries from this proposed change, and if it decides to go ahead, then to be able to demonstrate with evidence why society lotteries need to be included by showing the harm that is currently being caused by marketing of society lotteries through post and without 'consent', but through the charities' entirely justified and appropriate marketing channel of legitimate interest.

We urge the Gambling Commission to review this proposal on direct marketing consent for society lotteries. Our recommendations are:

- To exempt society lotteries from a change to direct marketing consent; or
- To undertake a thorough review, based on evidence, of harm that the marketing of society lotteries causes, to be able to decide in due time on the case for change in this area; or
- Consider that the marketing and promotion of society lotteries is more appropriately taken forward by the Fundraising Regulator; or,
- To issue explicit guidance and put in place appropriate mitigations which provide appropriate rules and regulations for the marketing of society lotteries, which are consistent with the wider changes happening on direct marketing with the introduction of the Data Protection Bill

13. To what extent do you agree with the proposed change that customers should be presented with options to opt-in to gambling marketing on a channel basis (email, SMS, notification, social media, post, phone call, any other direct communication method)?

Response: Strongly disagree

We question the rationale of making this change to marketing at the moment, while a new Data Protection Bill is going through Parliament which seeks to amend and introduce more flexibility within direct marketing, in particular extending the soft-opt in to charities. The approach outlined by Government in this Bill which recognises the negative impacts that have come about from an over-reliance of consent does not seem consistent with the Gambling Commission introducing further standards of marketing.

It should also be recognised that charities already have a number of safeguards in place to ensure that people who do not want to be contacted can easily opt-out of communications. For example, the Code of Fundraising Practice requires charities to include a clear means of opting out in every marketing communication, and the Fundraising Regulator operates the Fundraising Preference Service, which allows individuals to list which charities they no longer want to hear from.

In addition, given that society lotteries are perceived primarily as fundraising activities (rather than gambling) we believe that the Fundraising Regulator would be the appropriate regulatory authority to examine, review, and bring in any changes if needed which relate to the promotion of society lotteries so that consistency and proportionality can be applied to fundraising with society lotteries compared to gambling. We believe that there is more similarity between the promotion of a direct debit donation and promoting a society lottery, than there is between a society lottery and gambling product run by a commercial operator.

15. To what extent do you agree that the category ‘any other direct communication method’ future proofs the provision?

Response: Disagree

16. Please give your reasons for your answer below.

The list covers the main channels that charities currently use to send direct marketing.

17. To what extent do you agree with the proposed change that customers should be presented with options to opt-in to gambling marketing on a product (e.g. betting, bingo, casino, lottery) basis?

Response: Strongly Disagree

We disagree with the proposal for society lotteries to provide an opt-in for lottery products for the reasons set out in our previous responses. We are not commenting on other gambling products.

19. Do you have any comments about implementation issues, timelines and practicalities?

If this change to require consent was introduced, the practical difficulties for charities would be hugely significant. As well as reducing money raised through lotteries, on a practical level the compartmentalisation of different consent required for different marketing would be extremely difficult to manage, and make no sense to a normal donor. For example, someone who supports their local hospice may receive an annual newsletter. That newsletter may have, on the inside back page, an advert to support the hospice by taking part in their Christmas lottery or raffle. Our concern is that a move to explicit direct marketing consent would mean that either the charity cannot include an advert in that newsletter, or that the individual would have had to provide consent for the whole newsletter to be sent. This is disproportionate, burdensome, and overly rigid in the regulation of society lotteries.

20. Please provide an estimate of the direct costs associated with implementing these proposals, including any updates to your marketing approach?

It is difficult to provide an estimate of how much this will cost charities, however, we feel that the negative impact of these changes on charity finances are twofold, they would require charities to divert money away from their services and jeopardise a vital income stream.

The cumulative effect of COVID-19, Brexit and the cost-of-living crisis means that many charities are having to contend with increased demand for service provision as costs continue to rise. A recent survey by the Charities Aid Foundation found that 53% of charities who responded saying their services are at full capacity and nearly 40% reporting they had to turn people away- https://fundraising.co.uk/2023/10/07/charities-turning-people-away-due-to-entrenched-financial-challenges/?utm_source=rss&utm_medium=rss&utm_campaign=charities-turning-people-away-due-to-entrenched-financial-challenges . With charity finances under pressure, it is vital that they be provided with the appropriate regulatory framework to fulfil their charitable purpose.



Additionally, many of our members have reported that lotteries are currently one of the most robust fundraising products in the current economic climate. Given the lack of evidence that they are associated with problem gambling, we urge the Gambling Commission to not jeopardise this vital income stream.