

Comparing lottery ticket dispensers and category B3A gaming machines

A quick guide for Licensing Officers



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Automated machines involving lottery tickets can be of several different types, ranging from those that dispense scratchcards or pull-tab tickets to gaming machines that play lottery style games (category B3A gaming machines).

Whether a lottery machine is classed as a gaming machine or a pull-tab ticket dispenser is determined by the Gambling Act 2005.

The Gambling Act 2005

Gaming machines are defined under Section 235(1)¹ of the Gambling Act 2005 (the Act). However this definition is very wide, so to avoid capturing products unintentionally, a number of exclusions are laid out in Section 235(2) of the Act.

The key exclusion relating to lottery terminals is in section 235 (2)(d):
(2) But-

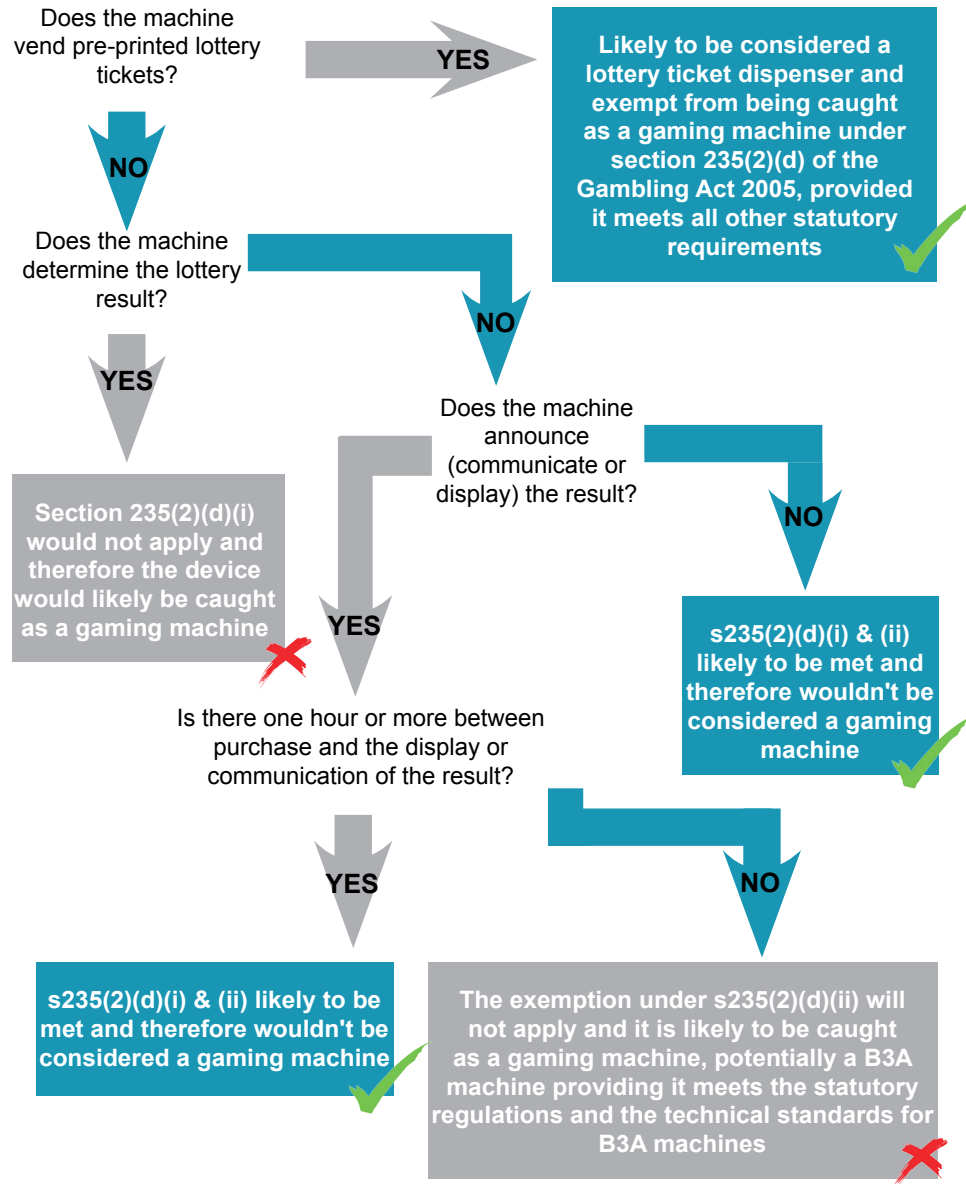
(d) a machine is not a gaming machine by reason only of the fact that it dispenses lottery tickets or otherwise enables a person to enter a lottery provided that the results of the lottery-

(i) are not determined by the machine, and

(ii) are not announced by being displayed or communicated by the machine without there being an interval, between each entry to the lottery and the announcement, of at least such duration as the Secretary of State shall prescribe by order

¹ www.legislation.gov.uk/ukpga/2005/19/section/235

Use the flow chart to help decide whether or not it is a gaming machine or a 'pull tab' ticket dispenser:



Whether a lottery machine is classed as a gaming machine or a pull-tab ticket dispenser is determined by the Gambling Act 2005, however the interpretation of the Gambling Act 2005 is ultimately a matter for the courts.

'Pull-tab' ticket dispensers



These self-contained units were the first type to be developed and they dispense pre-loaded physical society lottery tickets one at a time. They may be configured to hold separate banks of tickets which are in effect separate lotteries. Systems may be purely mechanical or electro-mechanical in operation.



A typical pull-tab lottery ticket dispenser

Once all tickets in a 'pack' have been dispensed, one lottery draw is finished. A new lottery draw is begun by manually loading a new set of randomised tickets. In most cases players cash winning tickets at the bar.

Further details are available in *Promoting society and local authority lotteries*, available on our website.

A lottery ticket that is dispensed via a lottery ticket vending machine must comply with the Act and any requirements of the registration or licence held that are relevant to the type of lottery offered.

B3A gaming machines



A typical category B3A gaming machine

These products are gaming machines and not lottery products. However, the type of game is limited to 'lottery style games'. What is often found confusing with these products is the way the game is presented to the player.

The game may appear to offer the player the illusion of some type of gamble or interaction as with other types of gaming machines, but the outcome of the game is pre-determined by the virtual lottery ticket that the machine selects when the game starts.

A 'virtual lottery ticket' is a lottery ticket that exists in the machine software only, that is, it is not a physical ticket until it is printed out by the machine.

Any game play is for entertainment purposes only and the machine must produce the result as specified on the virtual ticket that was drawn at the start of the game.

In addition, this product is a gaming machine (category B3A) so it must meet the requirements of the gaming machine regulations and technical standards, copies of which are available on our website.

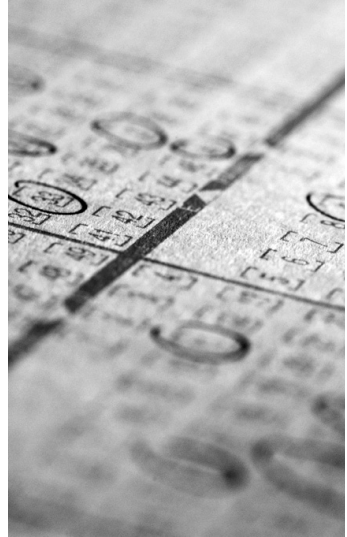


Clarification of terms used in this quick guide

‘Determined by the machine’

If the machine uses pre-printed physical lottery tickets (pull-tab or scratch card etc) and all the machine does is to dispense the next ticket in the stack then the machine is not determining the result. The result has been determined by the printing on the tickets and the order in which the tickets were loaded into the machine.

If however, the machine randomises the chances in the lottery and selects one prior to it being printed out or dispensed then the machine is determining the outcome and the product can not rely on the exclusion under 235 (2)(d) and is thus a gaming machine.



‘Announced by being displayed or communicated’

If the result is pre-printed on a ticket (pull-tab or scratch card etc) and the machine merely dispenses the ticket then this is not displaying or communicating the result. However, if the machine scans its memory for the result and prints it on a ticket before dispensing the ticket then it is displaying or communicating the result. Similarly, if the machine transfers the result via a network to another machine then it is communicating the result.

What if the result is announced by being displayed or communicated by the machine?

The Secretary of State has made Regulations under section 235 which provide that the interval between each entry to the lottery and the announcement of the result shall be at least one hour for the product not to be classed as a gaming machine (SI 2007/2495). Therefore, if the duration between purchasing a chance in a lottery and the announcement of the result by the machine is greater than one hour then the machine is not a gaming machine and it remains a lottery terminal.

keeping gambling fair and safe for all

www.gamblingcommission.gov.uk