

GAMBLING UPDATE – JULY 2025

Government to introduce voluntary code of practice for online prize draw and competition operators

On 26 June 2025, the Government published an independent [report](#) on the growing online prize draws and competitions (“PDCs”) market. Concurrently, the Government announced the proposed introduction of a Voluntary Code (the “Code”) for PDC operators later this year to address potential harm associated with PDCs. We summarise the key elements of the market study and proposed Code below.

Background

On 26 June 2025, the Government published an independent report on the emerging PDCs market. PDCs are products where players purchase tickets to participate and prizes are awarded partly based on chance.

The report was commissioned to provide the Government with a better understanding of the market, with a view to informing potential government intervention in the sector.

Currently, PDCs are not regulated under the Gambling Act 2005, meaning that no licence is required to operate them provided they include a compliant free entry route or test of skill, judgment or knowledge (e.g. answering a question).

Voluntary Code

The Government [announced](#) the proposed introduction of the Code later this year, in order to address potential harm associated with PDCs. The Code is likely to apply to all PDCs with either a requirement or option to pay to enter, but not to completely free to enter competitions.

The Code will aim to provide a uniform approach across the sector to “*strengthen player protections, increase transparency and improve accountability of prize draw operators*”. It is likely to cover the following measures:

- › *Transparency*
 - › Ensuring that PDC operators accurately describe prizes and the conditions of their competitions and that clear information is provided on how winners are chosen.

- › *Player protection measures*
 - › Including introducing e.g. spending limits and reminders to play responsibly.
- › *Minimum charitable donations*
 - › A degree of flexibility is likely to be adopted here, with differing minimum donations for operators of different sizes.
- › *Caps on prize sizes and ticket sales*
- › *Age restrictions and age verification mechanisms*, to ensure players are aged 18 or over.

Key Takeaways

The Code will be voluntary and so will not impose any strict legal obligations on PDC operators. Regardless, operators should ensure that they carefully review the Code when it is published and take adequate steps (including e.g. updating their Ts and Cs) to ensure compliance with the Code, as well as relevant UK consumer protection laws and advertising standards.

Failure to comply may lead to the loss of advertising rights and other key contracts, given that advertising platforms, app stores and payment processors may require compliance with the Code in their agreements with operators. As such, compliance with the Code may in effect be compulsory for PDC operators.

Ultimately, the introduction of the Code is welcome, given that regulatory intervention would have imposed a greater compliance burden on operators, with associated increased costs. However, PDC operators should continue to monitor ongoing developments, noting the Government’s comments that the success of the Code will dictate whether it decides to take further action in future (including potential legislative reform).

If you would like any further advice or assistance on this topic, please contact the Northridge Gambling team (Melanie.Ellis@northridgelaw.com and Tom.Edmonds@northridgelaw.com).