



ACS Submission – Future of the National Lottery

1. ACS (the Association of Convenience Stores) welcomes the opportunity to respond to the DCMS Committee's call for evidence to inform their inquiry into the future of the National Lottery. ACS is a trade association representing 33,500 local shops. Our members include the Co-Op, McColl's, SPAR UK, Nisa and thousands of independent retailers. For more information about ACS, see Annex A.

Role of Lotteries in Convenience Stores

2. There are 46,262 convenience stores in the UK, employing 365,000 people selling a range of grocery products and providing a number of services to their local communities. The majority of convenience retailers (82%) offer lottery products¹. By far the most common lottery products offered in-store are for the National Lottery. The National Lottery has proved to be an extremely valuable development for convenience stores, not only bringing new income in the form of retailer commission offered on sales, but also introducing new customers to stores and bringing footfall.
3. ACS is proud of the role that local shops have played in the success of the National Lottery. Retailers have actively promoted the games and taken part in new marketing activity. This has driven sustained growth for the National Lottery which has generated £40bn² for good causes. Many of these good causes are in the communities served by retailers selling National Lottery games, which has allowed stores to promote the value of the National Lottery to local customers.
4. More recently, new products including the Health Lottery have entered the market, which work through existing store systems. Many retailers operate the Health Lottery and the National Lottery side by side and this has strengthened retailers' position in the market, as well as opening up new sales opportunities. Retailers also work with society lotteries and local charity lotteries, but this accounts for a relatively small part of the sector. Society lotteries provide the opportunity for all retailers to offer lotteries as not all retailers can be part of the National Lottery network. However, we do have some concerns about the growth of remote society lotteries as it may displace sales from retailers that offer National Lottery and other society lottery products in-store to online for example.
5. We have set out our position to relevant areas of the operation of the National Lottery licence below.

Minimum Age of Play

6. ACS will be responding to the Department for Digital, Culture, Media and Sport's consultation on plans to increase the minimum age to play National Lottery

¹ ACS Local Shop Report 2017

² [The National Lottery: Life Changing](#)

scratchcards. While we are still drafting our response to the consultation, we have outlined our position on the minimum age of play below.

7. If the government decides, after careful consideration and the commissioning of new research, that there is evidence of harm on young customers, and that the age restriction for scratchcards should be increased, we will work with retailers to ensure that the change is implemented effectively across the sector. The convenience sector is extremely effective at enforcing age restrictions in store on a wide range of products including alcohol, tobacco, fireworks, and lottery products. We provide comprehensive guidance in our Preventing Underage Sales Assured Advice³ on enforcing age restrictions, which is approved by trading standards as part of ACS' Primary Authority Partnership.
8. If the age restriction on scratchcards is moved to 18, we believe that the government should increase the minimum age of play for all National Lottery products to 18. It is important to ensure that there is a consistent message about the sale of lottery products especially for training and communication materials. Having two separate age restrictions within the same product category would not only cause confusion for retailers but it would also cause confusion for customers.
9. This is also supported by ACS' Voice of Local Shops survey of 1,174 independent convenience retailers which found that 38% of retailers support the existing legal age restrictions for National Lottery products. This is likely due to very few retailers having difficulty enforcing the current age restriction and that their staff members are already familiar with the regulations. However, 34% of retailers supported changing the legal age restriction for all National Lottery products to 18, compared to 4% of retailers who supported changing the legal age restriction of scratchcards to 18 but keeping lottery at 16, and 1% of retailers who supported changing the age restriction for lottery to 18 but keeping the age restriction for scratchcards at 16. The survey also found that 24% did not have an opinion on the age restriction of National Lottery.⁴

Prohibiting Third Party Betting on the Outcome of Non-UK EuroMillions

10. ACS strongly welcomed the government's decision to prohibit third party betting on Non-UK EuroMillions games through a new licence condition on betting operators. In our response to the government's consultation on the proposals in 2017, we raised concerns that bets on Non-UK EuroMillions games undermines National Lottery sales, which impacts convenience retailers' footfall and commission received for the sale of lottery products.

Society Lotteries

11. In our submission⁵ to the Department for Digital, Culture, Media and Sport's consultation on society lottery reform, we called on the government to consider small incremental increases over a long period of time when considering changes to the individual per draw sales limits, individual per draw prize limits, and annual sales limits to ensure minimal impact on lotteries offered in-store. We raised concerns that while in theory, dramatically increasing per draw prize limits for society lotteries could lead to an increase in sales and footfall for retailers, in practice, only a small part of the convenience sector currently offers society lotteries. Instead, dramatically

³ [ACS Assured Advice: Preventing Underage Sales](#)

⁴ ACS Voice of Local Shops Survey August 2019

⁵ [ACS Submission: Society Lottery Reform](#)

increasing per draw prize limits for society lotteries would increase the draw limits for remote society lotteries, which could lead to displacing sales of lotteries in-store to online.

12. While we welcomed the government's decision not to increase the annual sales limit considerably to £100m but instead introduce a smaller £50m limit, we still have concerns about the impact the changes to society lotteries' draw and sales limits will have on the National Lottery. As such, we believe that the Gambling Commission's evidence on the impact of society lotteries on National Lottery sales should be continually reviewed and remain robust to ensure that the continued growth of society lotteries, in particular remote society lotteries, do not have a detrimental impact on the sale of National Lottery products. We believe it is particularly important to monitor the impact on the National Lottery following the government's decision to increase the per draw prize and sales limits for society lotteries. We support the Gambling Commission's calls that that "the effects of these changes should be monitored to ensure that there are no unintended consequences"⁶.

For more information about this submission, please contact Julie Byers, ACS Public Affairs Manager by emailing Julie.Byers@acs.org.uk or calling 01252 533008.

⁶ [Gambling Commission: Advice provided to DCMS on society lotteries](#)

ABOUT ACS

The Association of Convenience Stores lobbies on behalf of over 46,000 convenience stores across mainland UK on public policy issues that affect their businesses. ACS' membership is comprised of a diverse group of retailers, from small independent family businesses running a single store to large multiple convenience retailers running thousands of stores.



Convenience stores trade in a wide variety of locations, meeting the needs of customers from all backgrounds. These locations range from city centres and high streets, suburban areas such as estates and secondary parades, rural villages and isolated areas, as well as on petrol forecourts and at travel points such as airports and train stations.

WHO WE REPRESENT

INDEPENDENT RETAILERS



ACS represents over 19,000 independent retailers, polling them quarterly to hear their views and experiences which are used to feed in to Government policy discussions.

These stores are not affiliated to any group, and are often family businesses with low staff and property costs. Independent forecourt operators are included in this category.

SYMBOL GROUPS AND FRANCHISES



ACS represents over 14,000 retailers affiliated with symbol groups. Symbol groups like SPAR, Nisa, Costcutter, Londis, Premier and others provide independent retailers with stock agreements, wholesale deliveries, logistical support and marketing benefits.

Symbol group forecourt operators and franchise providers like One Stop are also included in this category.

MULTIPLE AND CO-OPERATIVE BUSINESSES



ACS represents over 12,000 stores that are owned by multiple and co-operative retailers. These businesses include the Co-Operative, regional co-operative societies, McColls and others.

Unlike symbol group stores, these stores are owned and run centrally by the business. Forecourt multiples and commission operated stores are included in this category.

THE CONVENIENCE SECTOR



In 2018, the total value of sales in the convenience sector was £39.1bn.

The average spend in a typical convenience store transaction is £6.50.



There are 46,262 convenience stores in mainland UK. 72% of stores are operated by independent retailers, either unaffiliated or as part of a symbol group.



The convenience sector provides flexible employment for around 365,000 people. 24% of independent/symbol stores employ family members only.



24% of shop owners work more than 70 hours per week, while 19% take no holiday throughout the year.

70% of business owners are first time investors in the sector.



Convenience stores and Post Offices poll as the two services that have the most positive impact on their local area according to consumers and local councillors.

81% of independent/symbol retailers have engaged in some form of community activity over the last year.



Between August 2017 and May 2018, the convenience sector invested over £814m in stores.

The most popular form of investment in stores is refrigeration.

OUR RESEARCH

ACS polls the views and experiences of the convenience sector regularly to provide up-to-date, robust information on the pressures being faced by retailers of all sizes and ownership types. Our research includes the following regular surveys:

ACS VOICE OF LOCAL SHOPS SURVEY

Regular quarterly survey of over 1,200 retailers, split evenly between independent retailers, symbol group retailers and forecourt retailers. The survey consists of tracker questions and a number of questions that differ each time to help inform ACS' policy work.

ACS INVESTMENT TRACKER

Regular quarterly survey of over 1,200 independent and symbol retailers which is combined with responses from multiple businesses representing over 3,000 stores.

ACS LOCAL SHOP REPORT

Annual survey of over 2,400 independent, symbol and forecourt retailers combined with responses from multiple businesses representing 7,669 stores. The Local Shop Report also draws on data from HIM, IGD, Nielsen and William Reed.

BESPOKE POLLING ON POLICY ISSUES

ACS conducts bespoke polling of its members on a range of policy issues, from crime and responsible retailing to low pay and taxation. This polling is conducted with retailers from all areas of the convenience sector.