

Mr Sam Keenan
Committee Secretariat
Committee of Public Accounts
Leinster House
Dublin 2

28 February 2023

Ref: S01217 PAC33

Dear Mr Keenan,

Thank you for your letter dated 20 February 2023. The information requested by the Committee is set out below.

Details of breaches of the National Lottery Act 2013 and National Lottery Licence

There have been 8 incidences of breaches found between the commencement of the Licence in November 2014 and the end of 2021. Details of each incident and the breaches determined have been published in each instance, in the Regulator's annual report.

Year of Finding	Nature of Breach	Impact of Breach	Remedy & Outcome
2017	Self-excluded players re-admitted to their online account before end of their one month or six month self-exclusion period, via customer contact centre	Investigation by Regulator's office found that 19 Players were able to play National Lottery games and 4 received marketing messages during a self-exclusion period taken some time between 30 Nov 2014 and 17 Oct 2016.	Regulator directed Operator to ensure that self-exclusion is irrevocable for the period chosen. Controls put in place to make self-exclusion irrevocable and add friction to re-admittance after self-exclusion: <ul style="list-style-type: none">• System doesn't allow any re-admittance prior to expiry of self-exclusion• Account doesn't automatically reactivate at end of self-exclusion period• Player must call Operator to reactivate account and is advised of tools and facilities to help manage their play prior to re-activation.

Year of Finding	Nature of Breach	Impact of Breach	Remedy & Outcome
2017	Advertisement depicting winning as an alternative to work and showing under 18s in non-incidental roles	Such advertising can excessively stimulate emotional triggers to play. Advertisement was withdrawn soon after it first aired.	Advertisement withdrawn promptly. All advertisements continue to be reviewed by the Regulator's office as they are broadcast/published and no further breaches have been found to date.
2018	A jackpot notification email was sent to players who had opted out of receiving such emails, due to "human error"	Unwanted intrusion for affected players. Regulator established that the email did not go to any self-excluded players.	Controls put in place to prevent recurrence. No recurrence to date. Data Protection Commissioner notified. Confirmed that "human error" not an accepted defence for breaches – the Operator must have effective controls.
2018	Press release presented winning as a way out of financial difficulties, through winner quotes	Such promotional content targets the financially vulnerable. Impact confined to a single press release.	Press release removed from database. All press releases continue to be reviewed by the Regulator's office as they are issued and no further breaches have been found to date.
2019	Trademarked National Lottery logo missing from press releases issued	No direct impact. Over time, failures to use the National Lottery trademarks as required could lead the National Lottery to be seen as belonging to the Operator and not, in fact, to the State.	Press release template amended to include the National Lottery logo. Regulator's annual reviews of the Operator's compliance with its trademark obligations continue. No further breaches have been found to date.
2020	Top Prizes omitted from 3 scratch card games due to errors made in spreadsheet when ordering new	Players who purchased tickets in the three scratch card games did not have the same chance of winning the top prize as per the game	1. The Regulator directed the Operator to remove the affected game still on sale in December 2019. 2. Public apology by National Lottery to players in December 2019.

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	<p>print runs of different sizes to previous print runs.</p> <p>Operator failed to apply control for ensuring that all scratch card games printed matched the approved prize structure. (The operator only applied it to the first print run and relied on a spreadsheet thereafter.)</p>	<p>approved by the Regulator.</p> <p>It was not possible to identify the players who missed out on the chance to win these prizes and compensate them (as tickets are purchased anonymously).</p> <p>The Regulator ensured that the total value of the omitted prizes of €180,000 was paid out to scratch card players generally through a special draw, funded entirely by the Operator, in a prompt manner. No prize went unclaimed.</p>	<ol style="list-style-type: none"> 3. Special New Year's Draw held to return €180,000 prize value to players without delay. 4. The €180,000 prize money for the Special Draw was taken from Operator's own funds and, to ensure the Operator did not benefit financially from the Special Draw, a €50,000 donation was made by the Operator to a mental health charity. 5. A full examination conducted by Regulator established that the Operator did not profit from the error or withhold information from Regulator and no other games were affected. The findings were published in a standalone report in 2020. 6. New measures by Operator to prevent the recurrence of such omissions. 7. New measures by Regulator's office to detect any recurrence earlier in the lifecycle of a game. 8. No recurrence found to date. <p>There was no apparent diminution of the reputation of the National Lottery following the incident (based on sales figures and independent reputation measurement tracking reports) - suggesting the remedy was effective.</p>
2020	<p>A software change resulted in an unforeseen technical issue where the weekly spend limit restarted mid-week on 1st January 2020</p>	<p>116 players spent more than the maximum weekly player spend for online National Lottery games, in the week overlapping the end of 2019 and start of 2020.</p>	<p>Affected players refunded amounts spent over the weekly limit.</p> <p>Software fix deployed, tested and confirmed to be working correctly.</p>

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2021	A time-lag in systems allowed marketing communications to be sent to players who had self-excluded, up to 36 hours from the time the player chose to self-exclude.	<p>48 self-excluded players received marketing emails up to 36 hours after a self-exclusion commenced.</p> <p>Regulator established that no affected player went on to spend online.</p>	<p>Systems enhanced to ensure the cessation of marketing messages takes effect in real time.</p> <p>It was not possible to ascertain the impact on or apply any remedy for players beyond this - that would require further contact with self-excluded players which would be further intrusion by the National Lottery triggering the impulse to play.</p>

I trust the above is of assistance to the Committee.

Yours sincerely,



Carol Boate
Regulator of the National Lottery