



CAMELOT UK LOTTERIES LIMITED

**RESPONSE TO OFCOM BROADCASTING CODE REVIEW
Commercial references in television programming**

16th September 2010

Broadcasting Code Review: Commercial references in television programming

1.0 Introduction

- 1.1 Camelot welcomes the opportunity to respond to Ofcom's Broadcasting Code Review in relation to product placement. As the National Lottery has been grouped within the gambling services sector we are currently prohibited under SI 2010/831 from carrying out product placement. The consequence of this is that there is only a limited amount we can contribute to this consultation as we recognise that Ofcom is not in a position to alter the terms of the legislation. That is an issue, however, that we shall be pursuing in very strong terms with government. We have therefore confined our relatively brief remarks to some of the general principles surrounding the relaxation of the rules, our support for product placement, and our surprise and disappointment at being prohibited by virtue of an illogical grouping of the National Lottery with gambling services.

2.0 Background

- 2.1 Camelot responded to the DCMS Consultation on Product Placement on 6 January 2010. We summarised our position as follows: *"If product placement were to go ahead – and we see cases for benefits to broadcasters, production companies and The National Lottery, including benefits to Good Causes – it would serve all parties for the flexibility granted to The National Lottery on undue prominence in the current Ofcom Broadcast Code to be appropriately extended to produce placement regulations."* That remains our position.
- 2.2 When the then Secretary of State for Culture, Media and Sport, Ben Bradshaw, made his statement in the House on 9 February 2010 it was not clear how 'gambling services' were to be defined. We checked with DCMS and were eventually notified by e-mail on 17 February that The National Lottery was to be included within the definition of gambling services and therefore prohibited. Attached is the scanned correspondence between Camelot's Chief Executive and Ben Bradshaw which sets out our concern both at the time and now.
- 2.3 Section 15 of the Gambling Act 2005 specifically provides that participating in a lottery which forms part of The National Lottery is not betting or gaming for the purposes of that Act. Moreover, because of its separate and distinct statutory position (the National Lottery has its own entirely separate legislation), and in recognition of the unique role it plays in public life through raising money for the Good Causes, The National Lottery has always been permitted to advertise. This represents a marked difference from the gambling industry which was prohibited from advertising on terrestrial television until the implementation of the Gambling Act 2005 in 2007.

2.4 We remain opposed to, and dispute, the previous government's decision to include The National Lottery in its definition of gambling services. We believe that this decision was unjustified and perverse. In a 2009/10 public opinion survey (Conquest Tracker), 73% of the general public agreed that they trust the UK National Lottery. The present government, as well as previous governments, have gone on record frequently to praise the efficiency and credibility of the Lottery and acknowledge the significant contribution it has made to public life, which now stands at over £24 billion raised for the Good Causes. The Lottery is also contributing £2.2 billion towards the cost of the London 2012 Olympic and Paralympic Games. It is regrettable and disappointing, therefore, to find The National Lottery not only grouped with the wider gambling services but also firmly identified with products such as cigarettes, alcohol and unhealthy food that are regarded as harmful to the well-being of the public. It is a very muddled message for any government to convey and one we shall press the new government to reverse.

3.0 Product placement and The National Lottery

3.1 As we said in our submission of January 2010 to DCMS, we would want to have the right to be able to pay for National Lottery products and game information to feature within editorial programming. For example, characters within a regular soap, e.g. Emmerdale, would be able to reference the National Lottery games and possibly jackpots on the same evening as the draws, 30 mins before terminals close down, delivering an integrated, topical editorial reference and an indirect call to action. After all, 70% of the adult population play the National Lottery regularly and product placement in this context reflects this.

4.0 Conclusion

4.1 With over £24 billion raised for the Good Causes over the last 16 years, it is vital to have a National Lottery which is credible, responsible and capable of sustaining and, wherever possible, increasing sales, especially at a time when the economy is fragile and public expenditure is being cut. Product placement would provide further opportunities to promote the Lottery responsibly to the playing public but in a way which, we believe, would not only help to sustain sales but to increase them. This can only be of benefit to the many thousands of projects the Lottery has helped to fund and is expected to go on funding. To be denied the chance to take part in product placement as a direct result of a previous government's flawed decision is in neither the public nor the government's interest.

18 February 2010

DT/lb/8860

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Dianne Thompson CBE
Chief Executive

Dear Mr Bradshaw

Re: Product Placement

I am writing concerning your statement of 9 February about television product placement.

As we were not clear how prohibited gambling services were to be defined, we immediately contacted a member of your AVMS Implementation team to seek clarification about the position of The National Lottery. We were astonished to receive an e-mail from the team dated 17 February which stated that: "The announcement made it clear that product placement of any gambling services would remain prohibited, and this includes the National Lottery."

As you know, it is a matter of long established and settled public policy, determined by Parliament and supported by successive governments, that in recognition of the unique role it plays in raising money for the Good Causes, The National Lottery was established to be clearly separated from the gambling industry by both statute and regulation. I cannot therefore understand what rationale there is for apparently reversing a policy of differentiation between the gambling sector and The National Lottery at this time and on this particular issue. It is a worrying precedent.

I am simply hoping that it is an oversight which you will be able to reassure me will be quickly rectified before any Order is laid. If not, I would like to request an urgent meeting before any further action is taken. This is a matter of very serious concern that touches on principles that go well beyond this particular decision.

I look forward to hearing from you.

Yours sincerely

Dianne Thompson CBE
Chief Executive



The Arts
The Lottery

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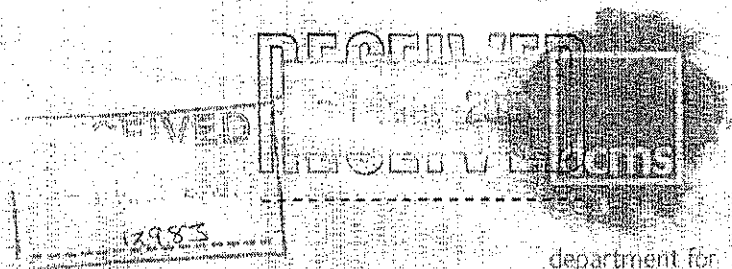
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department for
culture, media
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25 February 2010

Dear Dianne,

Thank you for your letter of 18 February about the National Lottery and product placement.

I am sorry that Camelot are disappointed by the decision which we have taken in this area. As I said in my announcement on 9 February, allowing product placement in domestically-produced television programming is an important departure. The Government has concluded that it is right to permit it at this stage subject to suitable safeguards, but we believe also that we must proceed with caution and in particular limit the types of product for which it is allowed.

That is why we took the view that the exclusion should embrace both gambling and National Lottery products. We do of course entirely acknowledge and support the special status of the National Lottery, and I can assure you that we are not resiling from previous Government policy in recognising the differences between it and commercial gambling. The decision which we have taken on product placement is limited to that area and has no implications for any other aspect of the Government's approach either to the National Lottery in general or its future regulation.

The Regulations on television product placement which we will be laying before Parliament will not adversely impact on the National Lottery or its existing presentation on television. The current ability of the BBC or other broadcasters to show programmes based around Lottery products or showcasing the successes of Lottery-funded projects will be unaffected.

I hope that this letter satisfies your concerns on this matter.

With best wishes

BEN BRADSHAW



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