

Dear Mike Phillips

Thank you for your e-mail regarding virtual balloon racing.

You do not need any kind of licence from the Gambling Commission to run a prize competition under the Gambling Act 2005.

A prize competition is a competition where success depends to a substantial degree on the exercise of skill, knowledge, or judgment. Such competitions may involve answering questions, solving puzzles, tie-breakers and so on.

Your competition could be classed as relying on chance if it does not prevent:

- a significant proportion of people from taking part
- a significant proportion of people who do take part from receiving a prize.

If a competition relies on chance it may be considered a lottery and could be unlawful.

If you are considering running a scheme of this nature please read our guidance [Prize competitions and free draws - The requirements of the Gambling Act 2005 - December 2009](#) and take independent legal advice beforehand.

We do not provide advice on individual competitions.

We hope that this clarifies your query.

Kind regards

Debbie

Debbie Carter

Licensing Officer

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[www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk)