



‘As the sector continues to develop and show great promise, lack of regulation across the board is the primary obstacle to growth’

potential to rejuvenate the individual lotteries and increase consumer choice (and even fulfil the lucky winners’ dreams!). However, there are always risks which we must all guard against.

The market must be regulated for the very clear reason of keeping out crime and protecting consumers. There is a real need for a framework that guarantees businesses are properly vetted, ensures they are financed correctly and legitimately, that their systems are robust and resilient and that they eliminate fraud and fight any attempts at money laundering to ensure the security of players.

If a player has placed a wager they have a right to expect a fair game and receive the money they win. They should not expect their money to be used for any other purpose than to place the wager and pay them out. This sounds obvious but worryingly not all locations and operators abide by these principles and rules. Therefore, an appropriate and enforceable level of regulation is inextricably linked to the jurisdiction you reside in and that includes an appropriate set of regulation for Lottery Messenger firms.

We chose to base Annexio on the Isle of Man because of the island’s framework for high regulatory standards. Under existing rules of the Isle of Man Gambling Supervision Commission, all the above mentioned regulations apply, whether it is protection of the players’ funds by segregation, or by player exclusion options. In addition, the business is monitored to ensure it runs all products fairly all the way through and adheres to anti-money laundering regulations.

As the sector continues to develop and show great promise and increasing revenue, lack of regulation across the board is the primary obstacle to growth. However, if the Lottery Messenger industry follows in the footsteps of regulated industries such as online gaming, forex and binary options, and looks to jurisdictions like the Isle of Man which already operates a regulatory infrastructure for Lottery Messenger businesses, consumer trust will grow and the future will be lucrative. It is an exciting sector and its popularity is rising amongst players, but it is only the operators that have their customers’ interests at the heart of their business that will thrive. ■

Why do consumers need a regulated lottery messenger market?

Annexio CEO Jennifer Houghton believes lotteries should cross boundaries but need strong regulation

THERE IS NO doubt the chance of a life-changing lottery win is part of many people’s daydreams, but that aspiration is also driving a market revolution. The chance to live a jet-setting lifestyle has driven many people to check the UK and Europe’s lottery draws avidly. The universal aspiration of affluence combined with an enormous exchequer tax take and huge contribution to worthwhile charities over the decades means this should be a win-win situation for national governments.

So why are some national lottery draw jackpots falling? Generally, the bigger the lottery prize, the more it attracts people with speculative cash to wager. But the long odds of actually winning has meant some players prefer being part of a syndicate. This, combined with the policies of some nations to protect domestic lottery schemes and ensure the winners are actually from that country, has resulted in restrictions on who can win and how tickets may be purchased.

The Lottery Messenger market, however one chooses to define it, is fulfilling the global demand for additional choice and a variety of ways to participate. The companies have the

