



Rialálaí an Chrannchuir Náisiúnta
Regulator of the National Lottery

Test Purchasing Exercise on Under-age

Purchase of National Lottery Products

in Retail Premises 2024



B&A

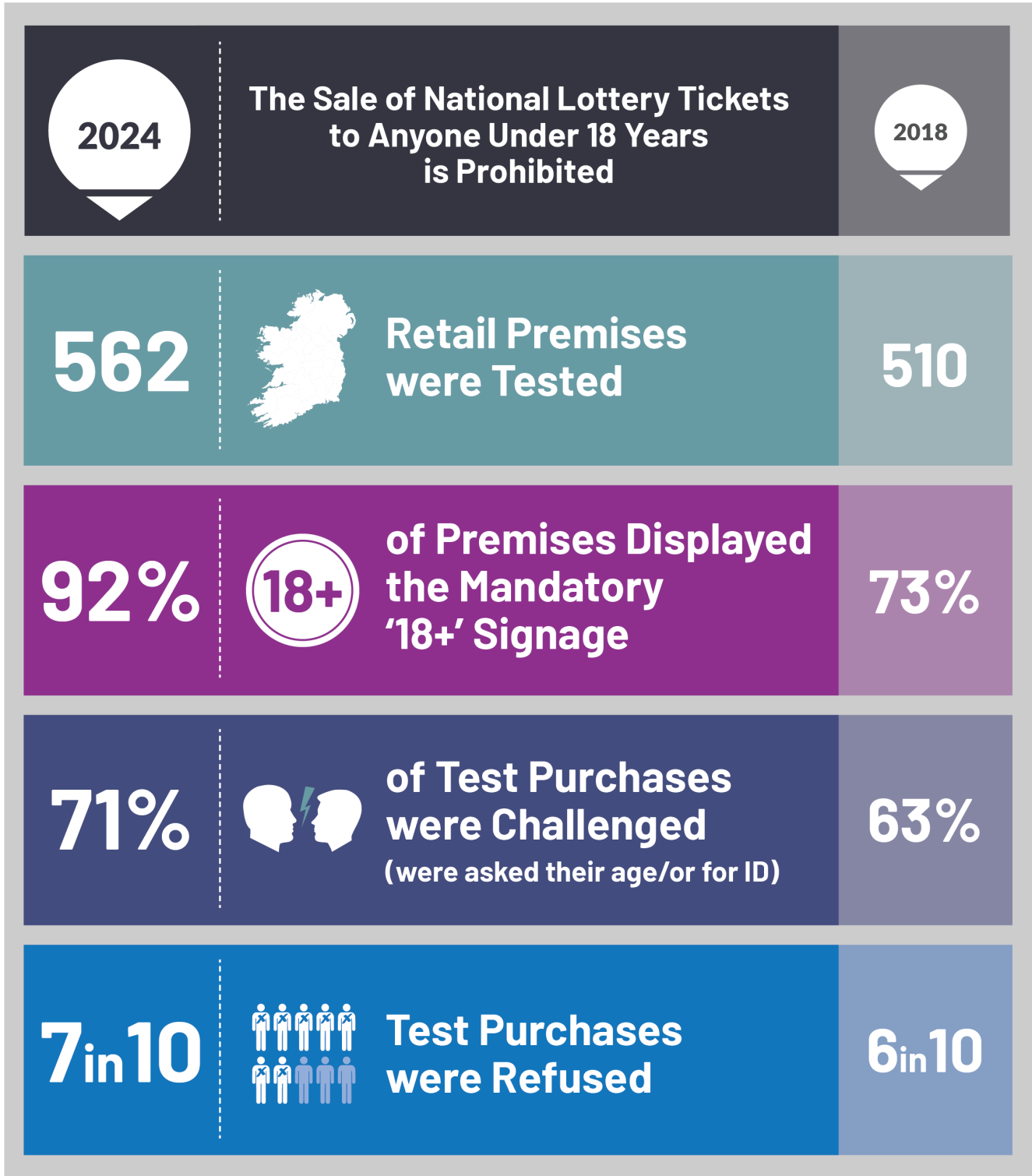
Test Purchasing Exercise on Under-age Purchase of National Lottery Products in Retail Premises 2024

Contents

1. Key Numbers.....	03
2. Summary.....	04
3. Introduction.....	07
4. Methodology.....	09
5. Results.....	11
6. Discussion.....	16
7. Conclusions.....	18

1. Key Numbers

Regulatory Obligations, Scope of Testing Exercise and Outcomes 2024 vs. 2018



2. Summary

The following report outlines the findings from the Test Purchasing Exercise on Under-age Purchase of National Lottery Products in Retail Premises. Ipsos B&A conducted this research on behalf of the Regulator of the National Lottery in July and August 2024. This research was conducted for the Regulator by Ipsos B&A once previously in 2018.

Objectives

This research was commissioned by the Regulator of the National Lottery to assess the effectiveness of the Operator of the National Lottery's systems in place to prevent underage purchase of National Lottery products; the research is designed to allow the Regulator to monitor the Operator's endeavours by comparing current results to the baseline results reported in 2018. This allows the Regulator to examine the impact of any new measures introduced during this period by the Operator of the National Lottery, Premier Lotteries Ireland DAC ("PLI"), to ensure the compliance of its retailers with underage sales prevention requirements.

New measures introduced by the Operator after the 2018 research results include:

- A 'Think 21' policy requiring retailers staff to request photo identification from all persons who appear under the age of 21.
- Operator mystery shops conducted in around 500 retail premises every 6 months to monitor compliance with retailers receiving feedback and sanctions for failure.

Additionally, many retailers installed an additional till prompt, activated upon scanning of the scratch card, to remind staff that the purchaser needs to be aged 18+.

The purpose of this research exercise is to test whether the measures taken by the Operator are sufficient to prevent children purchasing National Lottery products. The research does not assess the compliance of individual retailers with their obligations, as this is a matter for the Operator who authorises each individual retail outlet.

Under-age Purchase Prevention Requirements

The Office of the Regulator of the National Lottery was established by Ministerial Order on 27 February 2014, which commenced the Irish National Lottery Act 2013 ("the Act").

The National Lottery Act 2013 prohibits the sale of National Lottery products to anyone under the age of 18. The Codes of Practice under the licence mandate that all retailers display signage indicating players have to be '18+' to purchase National Lottery games, in a location visible from the point of sale. In addition, all retail staff are to observe a 'Think 21' practice and request photo identification from all persons who appear under the age of 21.

The 2018 Test Purchasing exercise demonstrated a strong association between visible signage at the point of sale and significantly higher levels of age challenge (querying age and/or requesting ID). The presence of '18+' signage serves as a critical reminder to retailers regarding their legal obligations and to prospective customers that the sale of National Lottery products is strictly age-restricted.

Key Findings

Mandatory '18+' Sign

- The mandatory '18+' sign was observed on display in 92% of retail premises. This is an increase from 73% of retail premises in 2018.
- The mandatory sign was not observed in 8% of retail premises.

Purchase Attempt

- The underage test purchasers were challenged (i.e. asked their age and/or for photo ID) by a staff member in 71% of purchase attempts, an increase of 8 percentage points since 2018 (63%).
- While 29% of underage test purchasers were not challenged.

Outcome of Purchase Attempt

- The staff member refused to sell the scratch card during 72% of purchase attempts by underage test-purchasers, compared to 62% in 2018*.
- Just under 3 in 10 (28%) purchase attempts were not refused.

Inter-relationships

- The research demonstrates a strong association between retail staff challenging underage customers and the refusal of sales of age-restricted products. In instances where test purchasers were challenged by retail staff, 95% of sales were refused (as in 2018).
- Encouragingly, 78% of test purchases were age challenged without the scratch card being scanned and triggering the till age verification prompt. Of the 22% of transactions that that involved scanning at the till, only 8% were refused. The research is unable to determine whether the prompting software had indeed been installed in the till and so whether the staff member had received a prompt or not.
- The '18+' sign is one of many measures contributing to the refusal of an under-age scratchcard sale. Whilst some correlation was observed in the 2018 study between presence of signage and higher refusal rates, this wasn't observed to the same extent in the latest test purchase exercise.*

*The margin of error on this result is +/- 3.5%.

Methodology

Nationwide fieldwork was carried out across 562 retail premises. The research was conducted by mystery shopping teams which consisted of an adult interviewer from Ipsos B&A and a test purchaser aged 15 to 17. The adult interviewer was tasked with evaluating the display of mandatory signage, while the underage test purchaser attempted to buy a €1 scratch card, in addition to another small item (e.g. a chocolate bar, crisps, or chewing gum). In accordance with the study protocol, test purchasers who were asked about their age responded truthfully and those asked for identification stated they did not have any. If the staff member agreed to the sale of the scratch card, the test purchaser stated they did not want the scratch card and this part of the transaction was not completed. Importantly, the test purchaser had to allow the staff member to scan the scratch card at the till, if the sale had not yet been refused, as often the point of sale technology provides another age challenge prompt. Test purchasers did not purchase any scratch cards as part of this exercise. The demographic profile of the 562 stores visited was representative of the overall population of retail outlets authorised to sell National Lottery products in the State.

Conclusions

This test purchasing exercise identified that levels of compliance have improved since 2018, suggesting measures taken by the Operator and retailers have had an impact. However, gaps in compliance with the requirements to prevent underage purchases of National Lottery products continue to persist.

This report outlines the insights garnered from this research exercise and provides information which may aid PLI and retailers in the design and implementation of measures to further improve compliance.

3. Introduction

Background

The Office of the Regulator of the National Lottery was established in 2014, which commenced the Irish National Lottery Act 2013 (“the Act”). The Regulator monitors the activities of the Operator of the National Lottery, Premier Lotteries Ireland (PLI). The Regulator does not regulate retail agents. She carries out her functions in accordance with her statutory objectives to ensure that:

- a) the National Lottery is run with all due propriety,
- b) the interests of participants are protected,
- c) the long-term sustainability of the National Lottery is safeguarded, and, subject to a) to c), that returns for good causes are maximised.

Prevention of Underage Sales – Rules and Obligations

The Act prohibits the sale of National Lottery products to minors:

A person, including the operator, shall not sell or offer for sale by any means a National Lottery ticket to a person under the age of 18 years or invite from such a person an offer to buy a National Lottery ticket.

Accordingly, the Licence awarded to operate the National Lottery (“the Licence”) contains measures to prevent underage sales. The Advertising and Promotion Code of Practice¹ contains the following requirements:

- Point of Sale material stating that players must be ‘18 years or over’ will be distributed to and displayed by all Retail Agents;
- PLI shall require Retailers to display the mandatory ‘18+’ message in a visible location;
- PLI shall require that Retailers does not sell any National Lottery Game to anyone under the age of 18 years;
- PLI shall require Retailers to observe a ‘Think 21’ practice and request photographic age verification identification (e.g. in the form of a Garda Age Card, driving licence, passport or public service card) of all persons who appear to be under the age of 21.

The National Lottery’s Sales Code of Practice² also contains the following:

Retailers and their staff/employees shall:

- Observe a ‘Think 21’ practice and Request age verification through photo identification (e.g. driving licence, Garda Age Card, passport or public service card) of all persons who appear under the age of 21;
- Display in a location visible from the POS the mandatory ‘18+’ message and any other age-related messages, including ‘Think 21’ messages, provided to the Retailer.

¹ The Code is updated annually. The extracts here were in place at the time the fieldwork took place.

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The Test Purchasing exercise conducted in 2018 indicated that the presence of visible signage at point of sale was related to significantly higher levels of age challenge. This indicates that clear '18+' signage acts to remind retailer staff of their obligations and prospective purchasers of the age restricted nature of National Lottery products.

Objectives

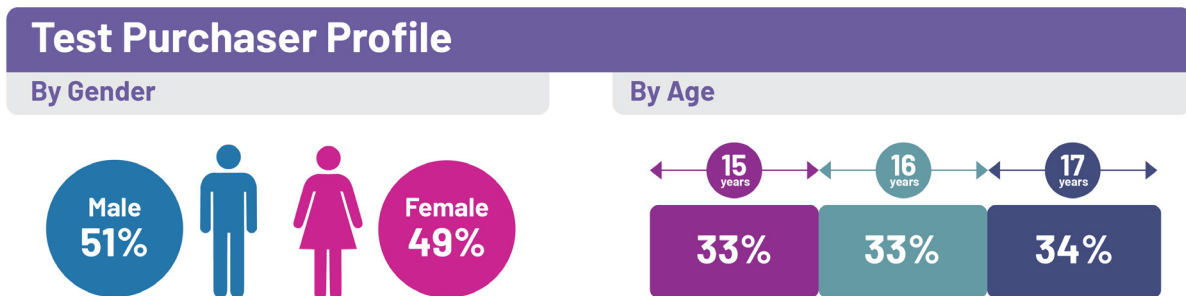
The Regulator of the National Lottery commissioned Ipsos B&A in May 2024 to carry out this research with the objectives to:

- Establish the extent to which retail outlets display a mandatory age restriction notice in a visible location (other than or in addition to the standard National Lottery counter and how it is displayed);
- Conduct test purchasing in a nationally representative range of 500+ retail outlets to establish whether the attempted purchase of lottery products by individuals who are underage is challenged (by asking age and/or requesting photo ID) and whether the sale is refused.
- Assess the effectiveness of the Operator's systems in place to prevent underage purchase: '18+' signage requirements, 'Think 21' requirements, regular mystery shopping exercises, and retailer compliance sanctions.

The same research methodology was previously commissioned by the Regulator of the National Lottery in 2018 to establish baseline figures. The current research enables the Regulator to assess, overtime, the level of compliance with signage and other Codes of Practice obligations among retail outlets and the effectiveness of the systems in place to prevent underage purchase.

4. Methodology

Mystery shopping teams consisted of one underage test purchaser (aged 15, 16 or 17) and one adult Ipsos B&A interviewer³ (aged over 19). The teams visited a sample of 562 retail premises nationwide in July and August 2024.



Each team member had a specific task assigned to them during the research:

- The underage test purchasers' task was to attempt to purchase a €1 scratch card at each retail outlet in order to test the retailer's response.
- The adult Ipsos B&A interviewer's task was to supervise the test purchaser and to make and record observations about whether the mandatory '18+' sign was visibly displayed in each retail premises.

The teams conducted test purchasing exercises during the week and during weekends and the exercises took place across different times of the day.

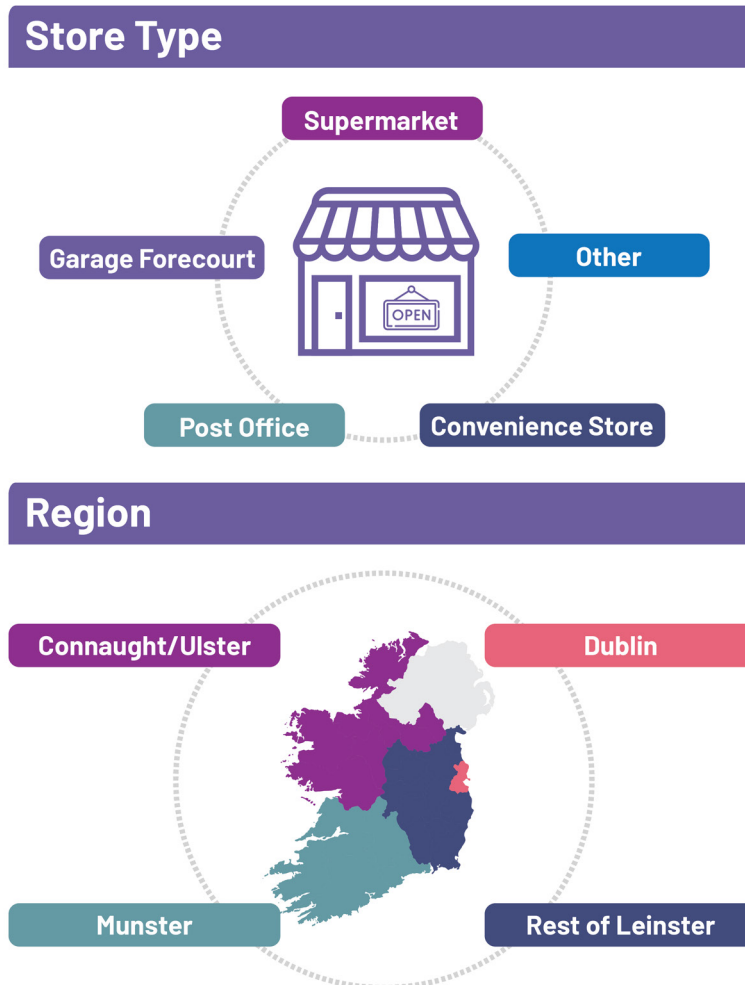
Before research began, parental consent was sought and obtained from the parents of all underage test purchasers who participated. It is important to highlight that the underage test purchasers did not attempt to conceal their age. When asked, they truthfully stated their age and if asked for photo ID they stated that they were not carrying any. No attempts were made to misrepresent the age of the test purchasers or to make them appear older than they were.

In the case that a retail agent agreed to sell the scratch card, the test purchaser then abandoned this part of the purchase, just buying the original item (eg. chocolate bar, crisps, or chewing gum). Test purchasers did not purchase any scratch cards during this research exercise.

³ Ipsos B&A interviewers are fully trained and experienced in conducting face-to-face research. Our interviewers abide by strict fieldwork quality standards set by the ESOMAR International Code of Marketing and Social Research Practice and AIMRO (the Association of Irish Market Research Organisations).

Sample Design

The sample design included quotas for five different store types that represent the universe of retail outlets selling National Lottery products in the State.



A similar number of visits to retail outlets took place across each of the four provincial regions of the state (Munster, Leinster, Connacht, and Ulster). The data was also weighted at analysis stage to reflect the spread of retail outlets selling National Lottery products in the State. This was done to ensure the cross-comparison of data by region.

Quotas were also employed for the age and gender of test purchasers in order to ensure the final profile reflected that of the Census 2022 estimates. The age and gender quotas were applied within each region to further ensure direct comparability across the four regions. This sample design was retained from the 2018 study to ensure that the results were comparable overtime.

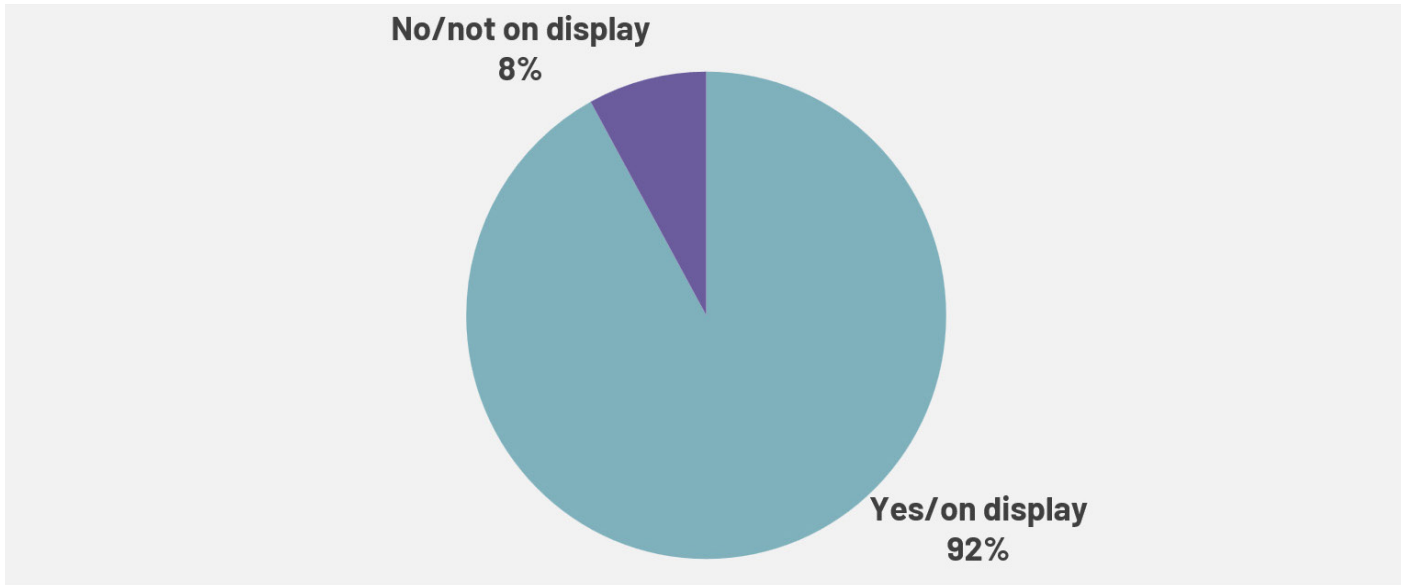
Weighting

Weights were applied to the data during the analysis stage to correct for any minor deviations from the quota controls outlined above. As stated previously, regional weights were also applied to reflect the national spread of retail outlets selling National Lottery products in the State.

5. Results

The overall findings are outlined below and are discussed in greater detail in the next section. The results are presented in comparison to the 2018 baseline measures where relevant.

Figure 1- Observation of '18+' Signage



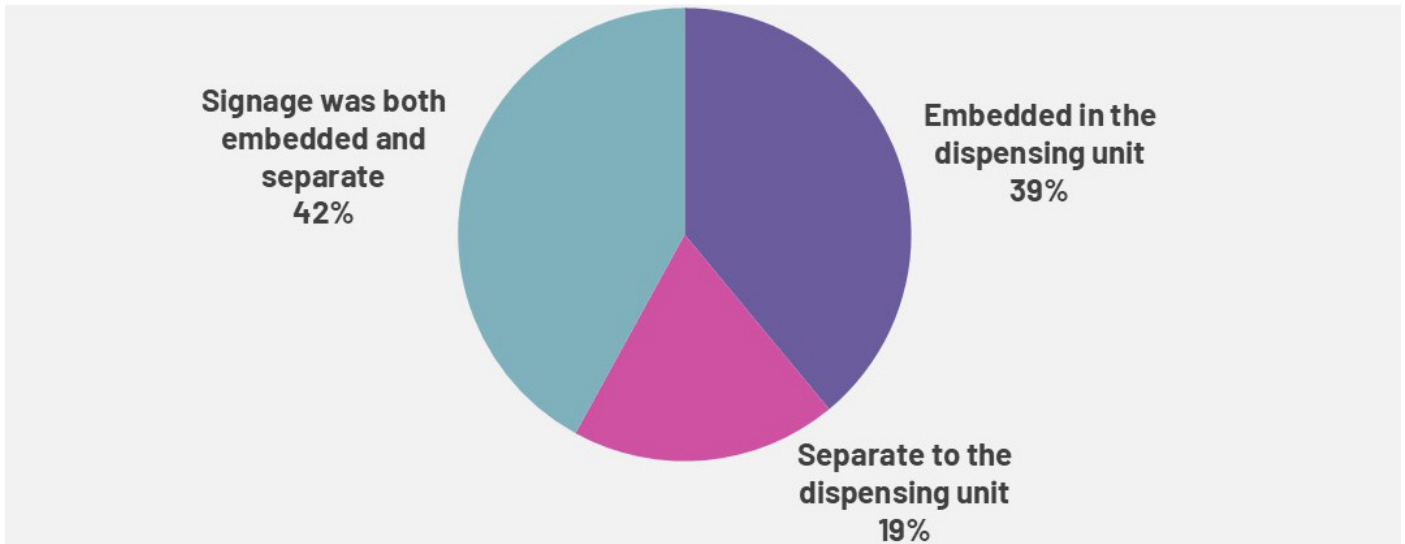
Just over nine in ten (92%) retail premises had the mandatory '18+' sign visibly on display. While the mandatory sign was not observed in 8% of retail premises.

Figure 2 - Observation of '18+' Signage by Region and Store Type

'18+' Signage Observed	Total	Region			
		Dublin	Rest of Leinster	Munster	Conn/ Ulster
	%	%	%	%	%
Yes	92	91	93	95	86
No	8	9	7	5	14

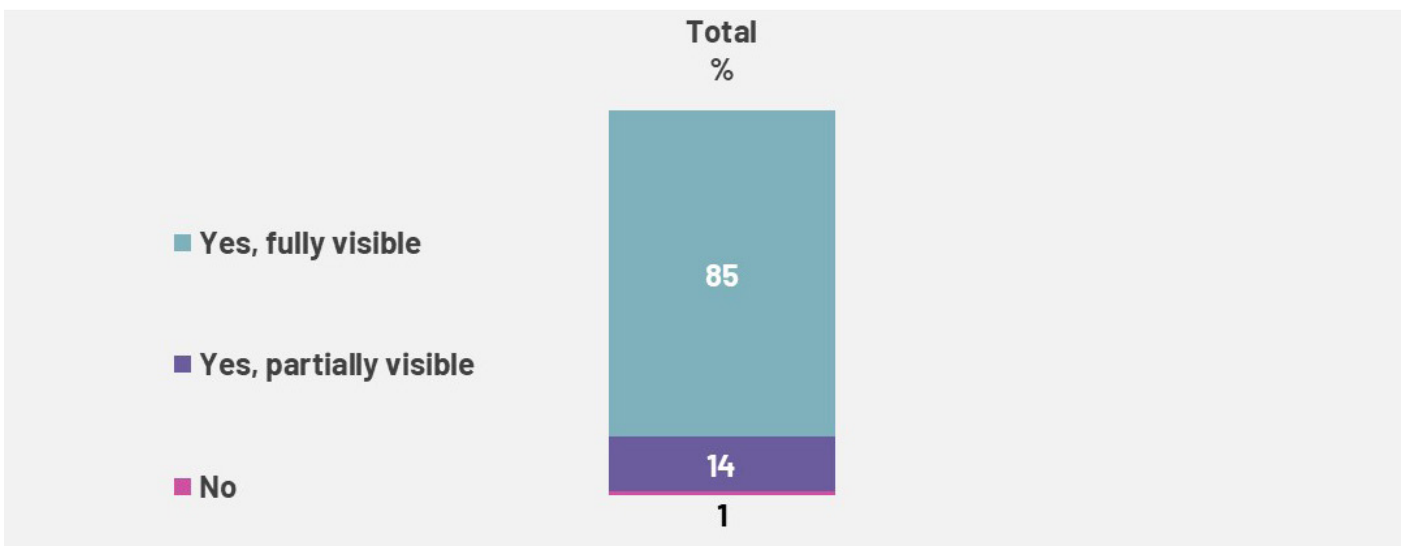
Retail premises located in Connacht/Ulster (86%) were least likely to have the mandatory '18+' sign visibly on display. Retailers in Munster were most likely to have the sign on visible display (95%).

Figure 3 - Signage type



In retail premises where the '18+' sign was observed, 42% of retailers had the sign both embedded in the dispensing unit and on a separate display. A further 39% had the sign only embedded in the dispensing unit and 19% only had the sign displayed separate to the dispensing unit. Unlike in 2018, there was no difference in refusal rate where signage was displayed.

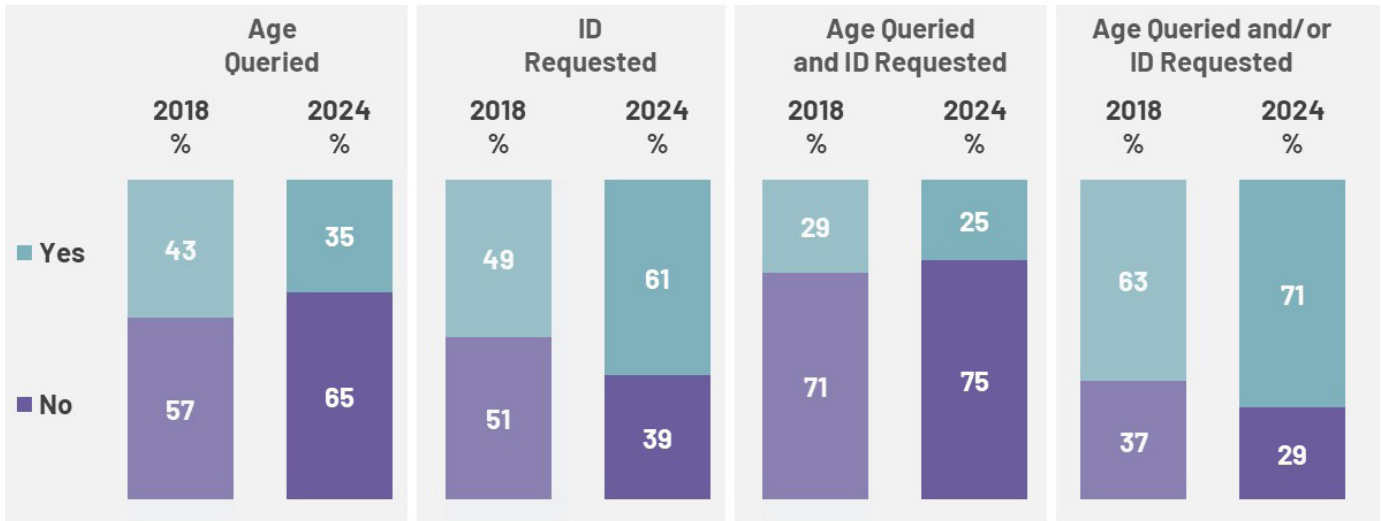
Figure 4 - Visibility of Age Restriction Notice from Point of Sale



The majority of retail premises who had the mandatory sign on display had it displayed in an area fully visible from the point of sale. A further 14% had the sign in a place that was partially visible from the point of sale, while just 1% had the sign displayed somewhere that was not visible from the point of sale (compared to 9% not visible in 2018). There was no discernible impact on refusal rates according to the visibility of the signage.

Purchase Attempt

Figure 5 – Challenge Overview



Test purchasers were challenged (i.e. asked for their age and/or photo ID) during 71% of purchase attempts, an increase of 8 percentage points since 2018. However, 29% of test purchase attempts were unchallenged (37% in 2018).

Test purchasers were less likely to have their age queried (35%) than in 2018 (43%). However, a higher percentage of test purchasers were asked for photo ID (61%) than compared to 2018 (49%).

Purchase Attempt by Region

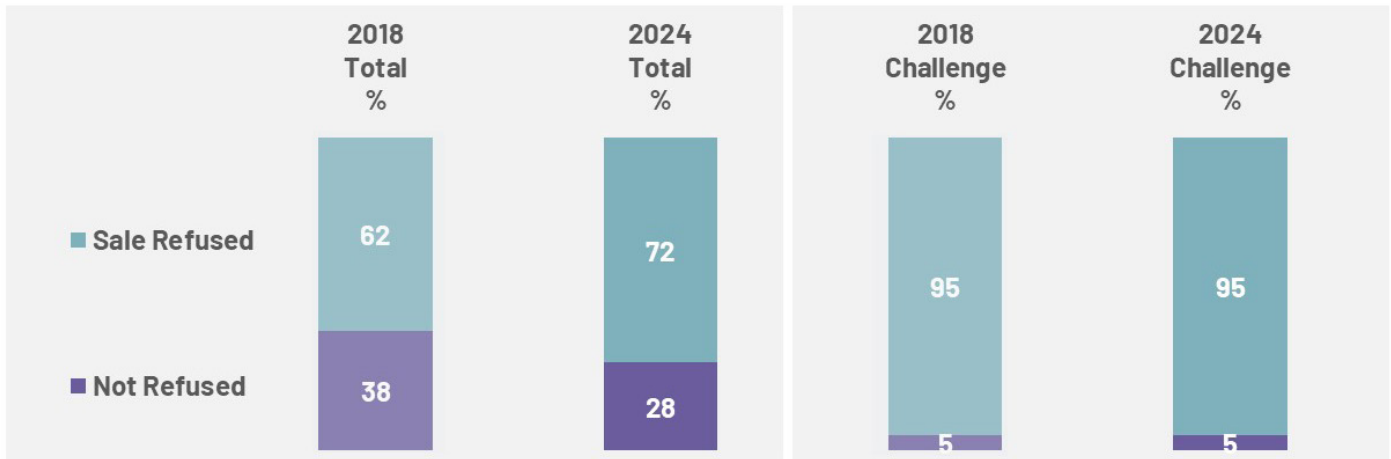
Figure 6 – Challenge Overview by Region and Community

			Region				Community Size	
	2018	2024	Dublin	Rest of Leinster	Munster	Conn/ Ulster	Urban	Rural
	%	%	%	%	%	%	%	%
Challenged	63	71	63	82	68	70	73	68
Not Challenged	37	29	37	12	32	30	27	32

Test purchasers were less likely to be challenged in Dublin (63%) and in Munster (68%) when compared to other regions where challenge levels were higher (82% in Rest of Leinster and 70% in Connacht and Ulster).

Outcome of Purchase Attempt

Figure 7 – Outcome Overview



The sale of scratch cards was refused in just over 7 in 10 (72%) purchase attempts and this has increased by 10 percentage points since last measured in 2018 (62%)*. However, 28% of sales were not refused. Retailers were far more likely to refuse a sale when the test purchaser was challenged, as 95% of challenged sales were refused (unchanged since 2018). This highlights the importance of retailers' obligation to challenge young people attempting to buy scratch cards. A small minority (5%) still did not refuse the sale even after challenging the test purchaser.

Figure 8 – Outcome of Purchase Attempt by Region and Community Size

	2018	2024	Region				Community Size	
			Dublin	Rest of Leinster	Munster	Conn/Ulster	Urban	Rural
	%	%	%	%	%	%	%	%
Refused Sale	62	72	57	84	71	71	74	69
Not Refused	38	28	43	16	29	29	26	31

The Rest of Leinster showed the highest refusal rate (84%) across the regions, while Dublin lagged behind as just under three in five (57%) retailers refused sales.

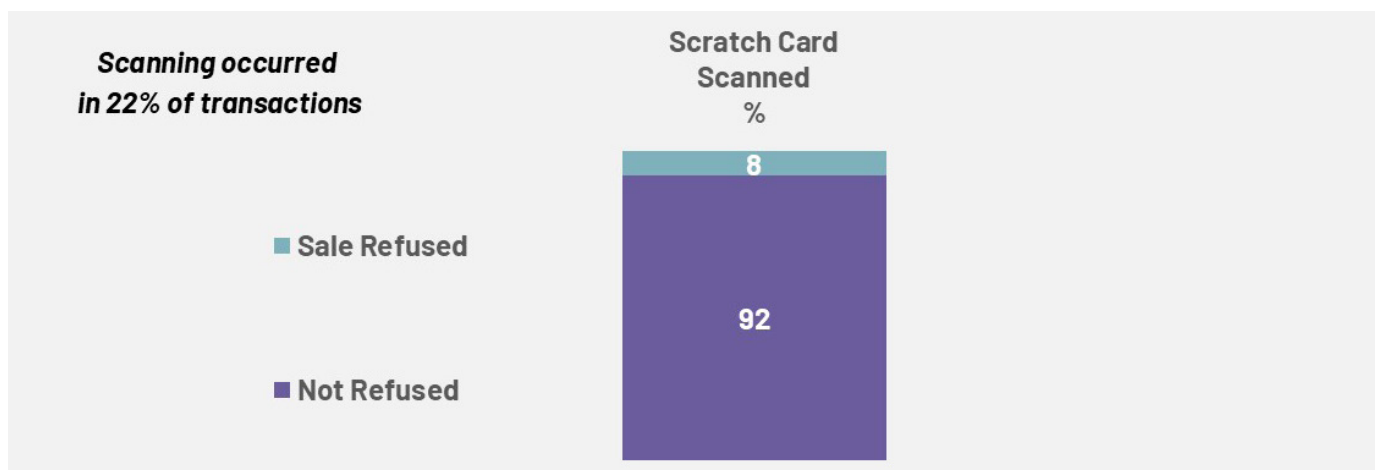
*The margin of error on this result is +/- 3.5%.

Figure 9 – Outcome of Purchase Attempt by Signage Observed

	18+ signage observed	18+ signage not observed
	%	%
Refused Sale	71	84

Just over seven in ten (71%) sales were refused when ‘18+’ signage was observed. When ‘18+’ signage was not observed, 84% of sales were refused. However it is important to caution that just 47 retailers did not have an ‘18+’ sign on display and this small sample size may not reflect the actual refusal rate of sales in retail premises that do not have a mandatory sign on display.

Figure 10 – Outcome when Scratch Card Was Scanned



If the sale was not refused, test purchasers were asked to allow the retail staff member to scan the scratch card (offering an additional age challenge prompt), before they abandoned the purchase. In the 22% of transactions where the product was scanned, just 8% resulted in the sale being refused, with the remaining 92% of these transactions being allowed to continue.

6. Discussion

Mandatory '18+' Sign

The National Lottery's Sales Code of Practice requires retailers to display an '18+' sign in a visible location. Test purchase teams observed an '18+' sign in the majority of retail premises (92%), compliance with this requirement has improved since 2018 when 73% were found to be displaying the mandatory sign. Just under one in ten (8%) retailers did not have an '18+' sign on display. The level of compliance has greatly improved since 2018 when 27% of retail premises were not displaying the mandatory sign, though there is still room to improve the compliance of retailers in this regard.

Compliance with this mandatory requirement varies by region, with the lowest levels of compliance recorded in Connacht/Ulster (86%) compared to 95% in Munster.

Previous cases in other product markets have shown that regular signage compliance checks in retail premises can effectively improve retailers' compliance with the display of mandatory signage, such was the case with age restricted notices for tobacco products. The findings of this research may highlight areas, such as by region and store type, where compliance checks could be focused.

When retailers do display the mandatory '18+' sign, the majority are compliant in having the signage visible from the point of sale (85%). A further 14% have mandatory signage displayed partially visible from the point of sale, this is an area for improvement to ensure retailers are thoroughly compliant in having their signage fully visible from the point of sale. A small proportion (1%) of signage was not visible from the point of sale.

In terms of how the '18+' signage was displayed, just over two in five (42%) retail premises had the signage embedded in the dispensing unit and displayed separately. A similar proportion (39%) only had the signage embedded in the dispensing unit, and 19% only had the signage displayed separate to the dispensing unit. There was no noticeable impact of signage presence or visibility on refusal rates. These findings may be useful to the Regulator of the National Lottery to aid in identifying how the display of mandatory '18+' signage can be improved in retail premises throughout the state.

Purchase Attempt and Outcome

The link between challenge from retailers and the refusal to sell scratch cards to persons aged under 18 was evident in the research. The sale of scratch cards was refused in 95% of instances when the test purchaser was challenged (i.e. asked their age and/or for photo ID), this finding is consistent with the 2018 report. The importance of the 'Think 21' practice and challenging of those who may be aged under 21 should be emphasised to all retailers and retail staff, as this practice is shown to be effective in preventing the sale of scratch cards to those aged under 18.

Photo ID was requested by three in five retailers (61%). This is a notable improvement from just 49% of retailers who requested ID in 2018. Practices implemented in the six years since the previous study appear to have been successful in improving retailers' likelihood to request photo ID. These practices include the

'Think 21' practice from the National Lottery's Sales Code of Practice which instructs all retailers and staff/employees to request age verification through photo ID from all persons who appear under the age of 21. In the period since 2018 the percentage of photo ID requests increased, while the percentage of test purchasers having their age queried decreased. Just over a third (35%) of test purchasers had their age queried compared to 43% in 2018. This finding indicates that retailers are now more likely to request photo ID to verify a persons age rather than simply querying the persons age. This practice suggest that many retailers and staff/employees are taking stricter measures towards challenging and verifying potentially underage purchases.

Sales of scratch cards were refused in the majority of purchase attempts (72%). The level of refusal increased by 10 percentage points since measured in 2018 (62%)*. However, 28% of purchase attempts were not refused. Again, the importance of the 'Think 21' practice and challenge for ID needs to be emphasised and is key to increasing the rate of refusal in this case.

If the sale was not initially refused, test purchasers were instructed to allow the retail staff to scan the scratch card before abandoning the purchase, which took place in 22% of transactions. Only 8% of retail staff refused a sale after the scratch card was scanned. This means that in the 22% of transactions where the scratch card was scanned, 92% of retail staff did not ask for ID despite the prompt by the point of sale technology. This suggests that the age challenge prompt upon scanning could be more effective and warrants review (with possibly further prompts considered in and around the till area). It is important to note, however, that the installation of the till prompt has not been a mandatory requirement and might be a factor in the large proportion of scanned transactions not being challenged.

Regional Variations in Purchase Outcome

Findings from the test purchase exercise show that regional variations exist in the proportion of retailers who refuse the sale of scratch cards to persons aged under 18. Dublin in particular had a lower rate of refusal (57%) than other regions, as was the case in 2018 (48% refusal rate in Dublin). The highest rate of refusal was reported in the Rest of Leinster (84%) while 71% of sales were refused in both Munster and Connacht/Ulster. Connacht/Ulster is the only region where the rate of refusal has decreased since 2018 (79%). Variations by region may occur for a range of reasons, that may include community size, store size, and customer familiarity. However, these results can provide guidance to the Operator in terms of the particular regions that may need to improve their compliance in the refusal of sales to persons aged under 18.

Signage and Purchase Outcome

The research shows that display of the signage, while important, is not enough. Having a sign on display may however contribute towards the prevention of underage sales, acting as a reminder to staff and to potential underage purchasers that sales may be age-challenged. These signs also communicate to the public at large that National Lottery products are not sold to persons aged under 18.

*The margin of error on this result is +/- 3.5%.

7. Conclusions

The research and findings outlined in this report provides the Regulator of the National Lottery with important measures of retailer compliance with the National Lottery Codes of Practice. The collection and availability of this data means that the Regulator can monitor levels of compliance against previous measures from 2018 and examine the impact of any measures that are implemented in the future.

The increase in compliance and refusal rates suggests a material improvement*, brought about by a contribution of the various measures put into place since 2018, i.e. the '18+' signage requirements, 'Think 21' requirements, installation of till prompt software, regular mystery shopping exercises, and retailer compliance sanctions. It is not possible to determine the relative contribution of each measure and indeed each should continue to be reviewed for effectiveness.

While levels of compliance have improved since 2018, this test purchasing exercise identified persistent gaps in compliance with the following requirements:

- To display the mandatory '18+' sign in a visible location.
- To ask for ID from persons who are not clearly 18+.
- To observe a 'Think 21' practice and request photo age verification ID of all persons who appear to be under the age of 21.
- Not to sell a scratch card to any person under the age of 18.

The discussion included in this report outlines how PLI and retailers could address shortfalls in compliance, such as:

- The possible introduction of signage compliance checks by region and store type, including the assessment of the visibility of '18+' signs.
- Guidance for National Lottery retailers on how their '18+' signage should be displayed (i.e. signage displayed in addition to any included on an embedded dispensing unit).
- The implementation of more impactful till prompts that require the retail staff to 'Think 21' and verify a person's age before and after a scratch card is scanned at a till, before proceeding with a sale.
- Those retailers currently without the till prompt software installed should be encouraged to consider the potential impact of introducing it.
- Looking at how the mystery shop exercises could be strengthened, e.g. through increased sanctions.

The data provided in this report provides the Regulator with a continued measurement of progress towards the elimination of underage sales of National Lottery products.

As findings of this latest test purchase exercise suggest, while progress has been made in many regards, there is still scope for further improvement in terms of age challenge, sale refusal, sign display and visibility. Each measure plays an important role, however it is their interrelated impact which will work towards the ultimate aim of 100% sale refusal to minors.

*92% of retailer premises displayed the '18+' signage vs. 73% in 2018. 72% of test purchase attempts were refused vs. 62% in 2018.

