



## COMPETITION APPEAL TRIBUNAL

### NOTICE OF AN APPEAL UNDER SECTION 70 OF THE SUBSIDY CONTROL ACT 2022

**Case No: 1730/12/13/25**

Pursuant to Rule 14 of the Competition Appeal Tribunal Rules 2015 (S.I. 2015 No. 1648) (the “Tribunal Rules”), the Registrar gives notice of the receipt of an appeal on 8 May 2025, under section 70(1) of the Subsidy Control Act 2022 (the “Act”), by: (1) The New Lottery Company Limited (the “First Appellant”); (2) Northern & Shell Plc (the “Second Appellant”); and (3) the Health Lottery ELM Limited (the “Third Appellant”) (together, the “Appellants”). The Appellants appeal against a decision of the Gambling Commission (the “Respondent”) to grant an alleged subsidy, as defined in section 2(1) of the Act to Camelot UK Lotteries Limited (“Camelot”), the operator of the National Lottery under the Third National Lottery Licence (the “Third Licence”). The Appellants are represented by Bryan Cave Leighton Paisner LLP, Governors House, 5 Laurence Pountney Hill, London EC4R 0BR (Reference: Graham Shear, Chris Bryant and Alexandra Hildyard).

The First Appellant is a company established by the Second Appellant for the purposes of competing for the Fourth National Lottery Licence (the “Fourth Licence”). The Second Appellant is a business with a significant background in the media industry, property development and venture capital. The Third Appellant is a wholly owned subsidiary of the Second Appellant and is a part of the Health Lottery group of companies. Since 2011, the Second Appellant has operated the Health Lottery through various wholly-owned subsidiaries; the principal activity of the Third Appellant is the provision of external lottery management services to the Health Lottery.

According to the Notice of Appeal (the “NoA”), the Respondent is responsible for the awarding of licences for the National Lottery, as well as exercising other functions in respect of the management of licences for, and the operation of, the National Lottery, pursuant to the National Lottery etc. Act 1993 (the “1993 Act”). The Respondent is an executive non-departmental public body and acts pursuant to statutory requirements and directions given to it by the Secretary of State for Culture, Media and Sport (the “Secretary of State”). The Respondent is a “public authority” as defined in section 6 of the Act.

The NoA states that Camelot was, until 1 February 2024, the operator of the National Lottery under the Third Licence. The Fourth Licence was awarded to Allwyn Entertainment Limited (“Allwyn”) in September 2022 and subsequently took effect on 1 February 2024. In February 2023, Camelot was acquired by the Allwyn group. Accordingly, Camelot and Allwyn have, since Camelot’s acquisition by the Allwyn group, been persons under common control within the meaning of section 8 of the Act, and thereby constituted together an “enterprise” under section 7(1)(b) of the Act.

The National Lottery is the UK’s state-franchised lottery established in 1994 under the 1993 Act and is regulated by the Respondent. The National Lottery is operated by private providers under licences awarded periodically by the Respondent under section 5 of the 1993 Act. Until 1 February 2024, the National Lottery was operated by Camelot under the Third Licence. The Fourth Licence was awarded under a concession contract to Allwyn in September 2022.

The NoA states that the National Lottery operates in a competitive sector, as it competes with what Camelot refers to as “synthetic lotteries” which include both “shadow lotteries” – which are unregulated lotteries operating from outside the UK jurisdiction and generally involve betting on the outcome of regulated lotteries in the UK – and “society lotteries” licensed under the provisions of the Gambling Act 2005, which includes the Health Lottery operated by the Second Appellant. It is also stated by the Appellants that the National Lottery operates within the gambling market more broadly.

The subsidy challenged is the grant to Camelot by the Respondent of approximately £70 million from the National Lottery Distribution Fund (“NLDF”) to contribute to marketing spend promoting the business and the National Lottery (the “Decision”). In February 2023, Camelot served the Respondent with a “Licensee Notice of Investment Opportunity”, purportedly under Condition 23 of the Third Licence (the “Proposal”). The Proposal sought the grant of sums out of the NLDF to support marketing activities to promote the National Lottery. By a Decision Notice dated July 2023, the Respondent granted Camelot a contribution from the NLDF stated there to total £70.21 million towards marketing expenditure. The Appellants seeks review of the Decision taken by the Respondent to grant Camelot £70.21 million from the NLDF to be spent marketing and promoting the National Lottery.

The NLDF is a fund established pursuant to section 21 of the 1993 Act under the control and management of the Secretary of State. It serves, broadly, to collect the proceeds of the National Lottery not paid out as prizes for the purposes of paying these out to “good causes” in accordance with the apportionment set out in section 22 of the Act. The distribution of, or payments from, the funds in the NLDF is governed by the rules in Part II of the 1993 Act.

The NoA states that the Decision had the effect of granting to Camelot (and thereby Allwyn, as both Camelot’s owner and the subsequent operator of the National Lottery) financial assistance which conferred an economic advantage, on the grounds that the subsidy provided Camelot with resources to market and promote the National Lottery, thereby improving the National Lottery’s competitive position in the relevant markets, to the ultimate benefit of Camelot and Allwyn, as both Camelot’s owner, forming a single enterprise with Camelot for the purposes of the Act, and the operator of the Fourth Licence.

In summary, the Appellants submit that, in taking the Decision, the Respondent has erred in law by:

1. failing to recognise or appreciate that the contributions under the Decision from the NLDF constitute a “subsidy” within the meaning of the Act; and, therefore
2. failing to consider the application to those arrangements of the subsidy control principles under the Act.

Further or alternatively, the Appellants submit that:

1. the subsidy would not in any event have met the conditions of the subsidy control principles set out in Schedule 1 to the Act; and
2. the Respondent had no statutory power to grant Camelot (or any other enterprise) sums from the NLDF.

By way of relief, the Appellants seek:

1. A declaration that the Respondent has, under the Decision, granted a subsidy to Camelot and Allwyn in the form of the provision of a contribution from the NLDF of £70.21 million towards the marketing and promotion of the National Lottery.
2. A declaration that the subsidy did not comply with the subsidy control principles set out in Schedule 1 to the Act.
3. An order quashing the Decision.
4. A recovery order requiring the Respondent to recover from Camelot and Allwyn the sums granted under the Decision by way of contribution from the NLDF towards marketing and promotion of the National Lottery.
5. Costs.

Any person who considers that they have sufficient interest in the outcome of the proceedings may make a request for permission to intervene in the proceedings, in accordance with Rule 16 of the Rules.

Please also note that a direction of the President is currently in place as to the electronic filing of documents: see paragraph 2 of the [Practice Direction](#) relating to Covid-19 published on 20 March 2020. Therefore, a request for permission to intervene should be sent to the Registrar electronically, by email to [registry@catribunal.org.uk](mailto:registry@catribunal.org.uk), so that it is received within **three weeks** of the publication of this notice.

Further details concerning the procedures of the Tribunal can be found on its website at [www.catribunal.org.uk](http://www.catribunal.org.uk). Alternatively, the Tribunal Registry can be contacted by post at Salisbury Square House, 8 Salisbury Square, London EC4Y 8AP, or by telephone (020 7979 7979) or email ([registry@catribunal.org.uk](mailto:registry@catribunal.org.uk)). Please quote the case number mentioned above in all communications.

*Charles Dhanowa CBE, KC (Hon)*  
Registrar

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