

NATIONAL TRADING STANDARDS

Estate and Letting
Agency Team

Protecting Consumers
Safeguarding Businesses

GUIDANCE ON PROPERTY RAFFLES AND THE ESTATE AGENTS ACT 1979

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Contents

What are property raffles?	3
Are property raffles regulated?	3
Are Promoters of raffles engaging in estate agency work?.....	3

What are property raffles?

A raffle is a competition where tickets acquired by consumers are pooled into one pot. A ticket is drawn from the pot to identify the winner of the prize. The prize in property raffles is, generally, a house.

Are property raffles regulated?

Oversight of lotteries is undertaken by the Gambling Commission which can only be operated as “not for profit” and for the benefit of good causes. Simple extraction of a winning ticket may be properly described as a free draw or prize competition instead of a lottery, falling outside the remit of the Gambling Commission. Care needs to be taken in distinguishing between what are lotteries and free draw/prize competitions. NTSELAT recommends separate guidance is sought from the Gambling Commission in establishing the correct type of competition.

Are Promoters of property raffles engaging in estate agency work?

The key point in determining whether a promoter of a property raffle is engaging in estate agency work is to determine **whether, or not, the Promoter is an “agent”**. If the Promoter is the registered proprietor of the property being raffled there is no agency relationship. Conversely in circumstances where the Promoter is not the registered proprietor of the property an agency relationship exists.

Section 1(1) of the Estate Agents Act 1979 defines “estate agency work” as

*... things done by any person in the course of a business (including a business in which he is employed) **pursuant to instructions received from another person** (in this section referred to as “the client”) who wishes to dispose of ... an interest in land—*

(a) for the purpose of, or with a view to, effecting the introduction to the client of a third person who wishes to acquire ... such an interest; and

(b) after such an introduction has been effected in the course of that business, for the purpose of securing the disposal or, as the case may be, the acquisition of that interest;

and in this Act the expression “estate agency work” refers to things done as mentioned above to which this Act applies.

Consequently, where an agency relationship exists in a property raffle, the legislative definition of “estate agency work” is clearly satisfied and the Promoter is, in fact, accordingly engaged and is required to be registered with a redress provider if the property being raffled is a residential property.