Bottomline

Allwyn Revolutionises UK National Lottery Mid-Tier Prize Payments with Payout Automation

Replacing 50,000 Cheque Payments Each Year

Allwyn, operator of The National Lottery, pays out over £2.8 million each month in mid-tier prizes (ranging between £501 and £50,000) for tickets bought in shops. It has over 43,500 retail partners across the UK that sell these winning tickets.

Previously, certain prize claims – specifically those under £500 and over £100 - were processed by post and paid manually by cheque. However, when Allwyn took over as operator in 2024, they created a whole new process for claiming mid-tier prizes via an online web form. Initially, all these prizes were still being paid by cheque, resulting in an additional 50,000 cheques issued annually.

For the lucky winners, collecting their winnings was not the most efficient process – often taking a few days between starting a claim and receiving the cheque, and sometimes requiring a visit to a bank or building society. Cheques were also inefficient for Allwyn due to the high processing costs and the cancelling and reissuing of lost, damaged or defaced cheques.

Turning to the Latest Digital Payment Technology

Allwyn recognised the need for a smarter, more efficient way to issue prizes. The company was already using PTX to manage Direct Debit collections for its retail partners and National Lottery player subscriptions, as well as for making Bacs payments to suppliers. Steve Manders, Finance Systems Consultant at Allwyn, explains how using PTX Payouts has had a transformative effect.

"Our main drivers were to reduce the administration and manual effort involved in paying prizes while speeding up how quickly players receive their funds. We researched the market and concluded that PTX Payouts offered unrivalled smart, digital payments and Bottomline's Confirmation of Payee (CoP) for Business offering represented a real differentiator. Together, the solutions ticked all the boxes in our evaluation and have had a transformative impact at Allwyn."

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Allwyn is the operator of The National Lottery. Since its inception in 1994, The National Lottery has been a transformational force for good, changing lives every day. It has made a huge and measurable difference to life across the UK – not just for the millions of winners who have been awarded over £95 billion in prizes, including more than 7,400 millionaires made – but in generating over £50 billion for community, sport, arts and heritage projects across the UK. Allwyn – which became the first new operator of The National Lottery for 30 years when it took over on 1 February 2024 – is committed to building on this legacy.

Benefits

Ensure greater contributions to National Lottery Good Causes

Eliminate highly manual and costly processing for 50,000 cheques annually

Introduce automated, smart digital payments

Improve the customer experience by making it easier to claim prizes

Reduce risk of fraud by confirming beneficiary identity

Meeting an Evolving Set of Payment Requirements

The introduction of digital payments was originally part of a wider initiative to modernise Allwyn's finance technology infrastructure. However, the significant increase in cheque volumes led Allwyn to look at fast-tracking a solution to deliver the benefits sooner for both Allwyn and the retail winners.

Manders states, "We changed the project scope by switching the payment channel from Bacs to Faster Payments. And we brought the timescales forward by six months! Despite this, Bottomline rose to the challenge impressively. Our bank sponsored us for Direct Corporate Access to enable Faster Payments, and Bottomline customised the PTX and CoP for Business solutions to meet our specific operational requirements."

Under National Lottery operating rules, Allwyn must validate the beneficiary identity, which necessitated verification at the stage in the process where the player is required to provide their bank details.

Simplifying and Streamlining the Payment Process

Mid-tier National Lottery winners who bought their winning ticket from a retailer now claim their prize by visiting a dedicated section of the National Lottery website. **After validating their email address, winners provide:**

- Name
- Address
- ID documentation
- A copy of the winning ticket

The default payout method is bank transfer, although customers can still choose to be paid by cheque which aligns with Allwyn's Social Value principles to improve accessibility and the customer experience.

The winner's details are validated in Allwyn's claims system. A secure file is sent to PTX which generates an email using the winner's verified email address. This contains a unique and secure link to a white-labelled PTX portal, which appears as a National Lottery-branded webpage. This gives the customer confidence that they are dealing with the familiar 'crossed fingers' National Lottery brand.

The winner is prompted to enter their bank account number and sort code. Allwyn mandated that PTX pre-populates the portal with the beneficiary name from the original claim submission. **CoP for Business solution verifies the bank details against the beneficiary name, with three outcomes:**

- More than 98% of claims pass the CoP check and the claim is accepted
- A partial match – which need to be reviewed by Allwyn
- For claims which don't pass the CoP check or fail the partial match review, these are then passed on to the Claims team to investigate further

Each day, all validated winning claims are paid out via Faster Payments and, minutes later, the winner receives the funds directly into their account. Allwyn also sends the winner an email confirmation.

"We now have a seamless workflow that ensures the vast majority of claims are paid automatically by bank transfer. For many players, this is the only time they will receive a payment from Allwyn."

A Secure, Automated Payment Solution

Allwyn's Operations Director, Jenny Blogg, says, "With over 2,000 mid-tier prize payments every month, totalling over £3m in prizes, it was imperative that Allwyn had a robust payment process in place. PTX Payouts gives us an efficient, secure and automated way for people who play The National Lottery in retail shops to receive prizes paid directly into their bank accounts. Thanks to PTX Payouts, these prizes are being paid faster than ever before, while drastically cutting down on administration and postage costs. This cost efficiency will see more money going to the Good Causes that The National Lottery supports and see prize money in players' pockets in record time – so it really is a win-win."

Manders adds, "I would recommend Bottomline to any company looking for industry-leading payment solutions. The service that we have received has been exceptional. The Bottomline team is incredibly dynamic, approachable and flexible. Throughout the project, they have expertly guided us. No challenge or request ever seems to be a problem."

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Leveraging the PTX platform

The Credit Control team has introduced CoP checks using the web-based API. Allwyn is also exploring how to leverage the PTX platform to further streamline payments, such as retailer incentives and other manual payments, as well as integrating CoP directly with its CRM system.

“I am delighted we now have a highly tailored payment solution which precisely fits our specific operating requirements. We are well equipped to manage growing volumes securely and efficiently. The introduction of PTX Payouts and CoP for Business underlines our commitment to pioneering new approaches to create more modern, inclusive and impactful lotteries for the future,” concludes Manders.

* CoP for Business is provided by Bottomline Payment Services Ltd, who are authorized by the Financial Conduct Authority under the Payment Services Regulations for the provision of payment services with FCA registration number 61627

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