



THE SUPREME COURT OF APPEAL
REPUBLIC OF SOUTH AFRICA

MEDIA SUMMARY – JUDGMENT DELIVERED IN THE SUPREME COURT OF APPEAL

From: The Registrar, Supreme Court of Appeal
Date: 28 March 2008
Status: Immediate

FIRSTRAND BANK v NATIONAL LOTTERIES BOARD

Please note that the media summary is intended for the benefit of the media and does not form part of the judgment of the Supreme Court of Appeal.

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The Supreme Court of Appeal (SCA) today (28 March 2008) held that the ‘Million-a-Month’ account operated by First National Bank constitutes a lottery that is prohibited by the Lotteries Act 57 of 1997. A declaratory order to that effect had been made by the High Court at Pretoria. The bank’s appeal against the order was dismissed by the SCA.

The account concerned was a deposit account from which withdrawals could be made only upon 32 days’ notice to the bank. Nominal interest was paid, but for each R100 credited to the account on a selected date each month the depositor

acquired one chance of winning one or more monthly monetary prizes, including a prize of R1 million, that were randomly allocated.

The bank argued that because depositors were entitled, upon expiry of 32 days, to the return in full of the money deposited, there was no potential loss to the depositor and thus nothing was given to the bank in return for the chance to win a prize. Rejecting that submission the SCA held that possession of the money that passed to the bank for the period concerned, which itself had a value, was wagered by depositors against the chance of winning a prize, and the scheme accordingly constituted an unlawful lottery.