



Buy Lottery Tickets with a Credit Card? Maybe

by

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While credit cards are used to buy everything from [human skeletons](#) to [celebrity encounters](#) these days, they're still banned from lottery ticket sales in many places. That may be changing, however, as online lottery sales slowly spread.

Since gambling is regulated by state law, the regulations in your state determine whether you can buy lottery tickets with plastic. In Connecticut, for example, you cannot buy tickets with a credit card. But you can use a gift card or debit card -- unless the specific retailer prohibits using debit. In Tennessee, however, lottery tickets may only be bought with cash.

"Most of the U.S. lotteries allow the purchase of lottery tickets with debit cards," says David Gale, executive director of the North American Association of State and Provincial Lotteries. "But only about 25 percent allow the purchase of lottery tickets with a credit card. A few of the lotteries leave it up to the retailer to decide whether to accept or not accept credit and/or debit cards for the purchase of lottery tickets."

That includes states such as Pennsylvania, where lottery officials say they discourage the use of credit cards to buy lottery tickets, but let individual retailers decide which forms of payment to accept.

Potentially dangerous game

The main reason for prohibiting the use of credit cards is that compulsive gamblers could accumulate unmanageable debt. Credit counselors warn that this is primarily an issue for people with poor financial self-control. "Playing the lottery with plastic is only a bad idea if the person allows their spending to get out of control," says Gail Cunningham, spokeswoman for the National Foundation for Credit Counseling. "Credit is not the problem. It's the irresponsible use of credit that can lead to financial ruin. Overspending on anything, including lottery tickets, is a symptom of a deeper financial issue that needs resolving."

Politics also play a part in the decision to ban credit card sales of lottery tickets. "The laws that forbid credit card use are generally added as a concession to lawmakers who oppose a lottery bill, but will agree to vote for it with these kinds of safety provisions," wrote Chuck Strutt, executive director of the Multi-State Lottery Association, in an emailed response to questions. His organization runs several multistate lotteries, including Powerball and Mega Millions. "Their fear is that consumers will max out their credit cards with lottery purchases. Debit cards usually get thrown into the mix either because lawmakers do not understand the difference between the two or because they believe that clerks and consumers will be confused."

Strutt thinks states that currently prohibit credit card purchases will be forced soon to revisit their policies or risk losing money. "The politics slows the lotteries' move into the real world of consumers where products and services are most often purchased without cash," he says.

Internet workaround

Some businesses are seizing the opportunity to target lottery players who want to use plastic, but may not have that option in their area. Websites such as TheLotter.com and LottoGopher.com allow consumers to purchase lottery tickets online, with credit cards as one of the payment options.

Not to be outsold, some states have begun offering their own online lotto ticket sales. In 2012, Illinois became the first state to allow online purchases of individual lottery tickets. Minnesota and other states have followed suit.

In New York, the decision about whether to accept credit cards lies with the individual retailer, says lottery spokesman Lee Park. "However, the New York Lottery offers subscriptions over the Internet, and we accept MasterCard and Discover credit cards, or debit cards backed by MasterCard or Discover -- which we process as a credit transaction -- and we now utilize electronic bank transfer," Park says.

States are becoming increasingly motivated to consider new approaches. "Politics and complaints and lobbying efforts from brick-and-mortar retailers often force lotteries to create new account processes where a player can pay [cash] at a retailer for an account to allow spending online," Strutt wrote. "Lotteries certainly do need to pay attention to their current retailer network, but all parties need to understand that players will eventually demand the ability to buy lottery products online and through their smartphones." It's already happening, he says: Nearly half of Powerball.com's page views come from mobile devices.

Even in states where credit card purchases are allowed, your credit card company may have rules of its own. **American Express prohibits the use of its cards for gambling services, according to a representative.** Visa and MasterCard declined to comment on their policies regarding lottery ticket purchases.

In addition, many states have instituted or are in the process of enacting rules that prohibit residents from buying lottery tickets with Electronic Benefits Transfer cards, which are used like debit cards to access and spend welfare benefits. Benefits recipients are also prohibited from buying alcohol, cigarettes and other so-called "sin" purchases) with the cards.

