



IFHA Council on Anti-Illegal Betting and Related Crime

Quarterly Bulletin Special Edition
August 2025

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Unregulated Wagers, Unseen
Damage: How Illegal Betting
Fuels Gambling Harm

Safeguarding Wagering Integrity and Public Health: A Psychological Perspective on Safer Gambling and Offshore Betting Harms

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Introduction

Gambling is a complex and evolving global industry, increasingly shaped by digital platforms and transnational market forces. Although regulated gambling can offer recreational value to many, it also presents considerable public health risks, particularly where consumer protections are absent or undermined. Among the most pressing challenges are the proliferation of offshore and illegal operators, especially in the domains of sports and race wagering, and the need to implement effective harm minimisation strategies that align with psychological evidence and policy best practice.

As an academic specialising in gambling behaviour and interventions to reduce harm, I argue that safeguarding individuals and communities from gambling-related harms requires a systems-based approach. This includes designing regulated environments that foster informed decision-making, enhance product safety, and eliminate exploitative practices. In this article, I present key psychological principles relevant to safer gambling and outline strategies for reducing harms associated with both legal and illegal forms of wagering, with a particular emphasis on offshore operators.

Gambling Harms as a Public Health Issue

Gambling harms extend beyond the individual to affect families, communities, and broader societal systems. They encompass financial distress, relationship breakdown, psychological comorbidity, and in severe cases, suicidality (Browne & Rockloff, 2018). Psychological research consistently shows that gambling harms lie on a continuum, not limited to individuals meeting diagnostic thresholds for gambling disorder. Prevalence surveys across jurisdictions indicate that of those who engage in gambling, up to half experience negative consequences ranging from psychological distress, reduced savings, and interference with other important life activities to severe impairment across multiple life domains (Browne & Rockloff, 2018; Jenkinson et al., 2023). A public health framework therefore advocates for population-level interventions that target risk factors and environmental contributors to harm (Wardle et al., 2019).

The Challenge of Offshore and Illegal Gambling

Unlicensed offshore operators, by circumventing national regulations, offer gambling products that lack critical consumer protections such as deposit limits, self-exclusion tools, age verification, and any requirement to identify customers potentially engaging in problematic gambling. These platforms are often easily accessible online and aggressively marketed via social media and affiliate marketing. Research indicates that consumers engaging with offshore gambling websites are more likely to exhibit risky gambling behaviours, including higher expenditure and loss chasing (Gainsbury et al., 2018; Gainsbury et al., 2019).

Illegal gambling also undermines the integrity of sports and racing by facilitating match-fixing and other forms of corruption. The lack of transaction transparency and jurisdictional oversight makes it difficult to detect suspicious betting patterns and criminal infiltration. Regulatory bodies and organisations such as the International Federation of Horseracing Authorities (IFHA) have consistently raised concerns about how illicit betting markets on racing erode public trust and create systemic vulnerabilities.

Psychological Drivers of Risky Gambling

From a clinical psychology lens, several cognitive and behavioural mechanisms underpin problematic engagement with gambling. These include:

- **Cognitive distortions**, such as the illusion of control and gambler's fallacy, which lead individuals to overestimate their ability to influence random outcomes.
- **Variable reinforcement schedules**, particularly salient in in-play betting and high-frequency wagering, which intensify arousal and contribute to persistent gambling despite losses.
- **Emotion regulation difficulties**, where gambling is used as an escape from negative affect or life stressors.
- **Impaired executive functioning**, including difficulties in impulse control and delayed discounting, often exacerbated by co-occurring mental health conditions (Blaszczynski & Nower, 2002).

These vulnerabilities are magnified in unregulated environments where no safeguards exist to mitigate high-risk product features, such as rapid event cycles, unrestricted access, or bonus incentives that encourage continuous play.

Sports and Race Wagering: Unique Considerations

Sports and race wagering differ from other gambling forms due to their cultural legitimacy, perceived skill component, and integration with common recreational and social activities (i.e., watching sports). Associations with culture, traditions and social rituals can mask potential risks and create stigma, which reduces the likelihood that individuals self-identify the need for help. Some bettors believe they possess expertise or insider/industry knowledge that gives them an edge, which can increase risk-taking and reduce perceived harm. The interactive and fast-paced nature of live betting, the constant availability of odds, and mobile integration can further fuel excessive engagement (Gainsbury, 2015; Lopez-Gonzalez, 2019). Digital transformation has altered betting dynamics, with online platforms offering complex bet types, high turnover rates, and 24/7 accessibility, with anonymity and the ability to hide betting as well as not observe others reducing identification of problematic gambling.

Strategies for Harm Minimisation

Based on evidence, effective harm minimisation in gambling requires a multilayered approach involving regulation, operator responsibility, and user-level tools. Key strategies include:

1. Regulatory Enforcement and Site Blocking

Governments and industry bodies must intensify efforts to detect, block, and prosecute illegal offshore operators. Dynamic site blocking, payment interdiction, and cooperation with ISPs and financial institutions can reduce consumer access to unlicensed platforms. While circumvention remains a challenge, robust enforcement communicates social norms and delineates the boundaries of acceptable market participation (Williams et al., 2012).

2. Embedding Safer Design Principles and Eliminating Sludge

Regulated operators should be required to adopt behavioural design standards that minimise risk. These include:

- Default deposit and time limits.
- Slower bet cycles and mandatory breaks.
- Transparent and comprehensible odds presentation and information on promotions and bonuses.
- Restrictions on bet types with high harm potential (e.g., exotic multis, microbets).

Such measures align with *choice architecture* principles from behavioural economics, nudging users toward safer decisions without eliminating autonomy (Thaler & Sunstein, 2008). By designing betting sites with strategies that make it easy for customers to make informed, considered decisions and avoid unaffordable bets, it is easier to send a clear message to consumers that licensed sites are a more appropriate choice than offshore sites.

In contrast, sludge refers to any design which makes a process more difficult resulting in the customer being less likely to continue – examples when applied to safer gambling include design features that make it more difficult to withdraw money than deposit, pressures to deposit money such as to receive promotions, time-pressure to place bets such as rapid cycles, obscuring terms and conditions of bets and promotions, and hiding safer gambling resources under dropdown menus. It is essential that licensed operators and regulators carefully examine how sites and apps as well as marketing strategies are designed to ensure that there is no friction, complexity, or hindrance for customers that interferes with their ability to make informed, intentional decisions.

3. Targeted Messaging and Digital Interventions

Personalised safer gambling messaging based on behavioural tracking can help users reflect on their play. Digital tools such as real-time feedback, pop-up messages, and expenditure summaries have shown efficacy in reducing risky behaviours (Auer & Griffiths, 2015). These interventions should be culturally and contextually adapted, particularly in racing where traditional messages may not resonate with habitual bettors.

My team at the University of Sydney Gambling Treatment and Research Clinic have recently developed Bet Well, a digital tool that allows users to upload statements from multiple gambling sites to see a single view of their total gambling outcomes, wins and losses and display these in a personalised manner by comparing their spend with other potential opportunities. This tool is being evaluated, but you can view more information [here](#).

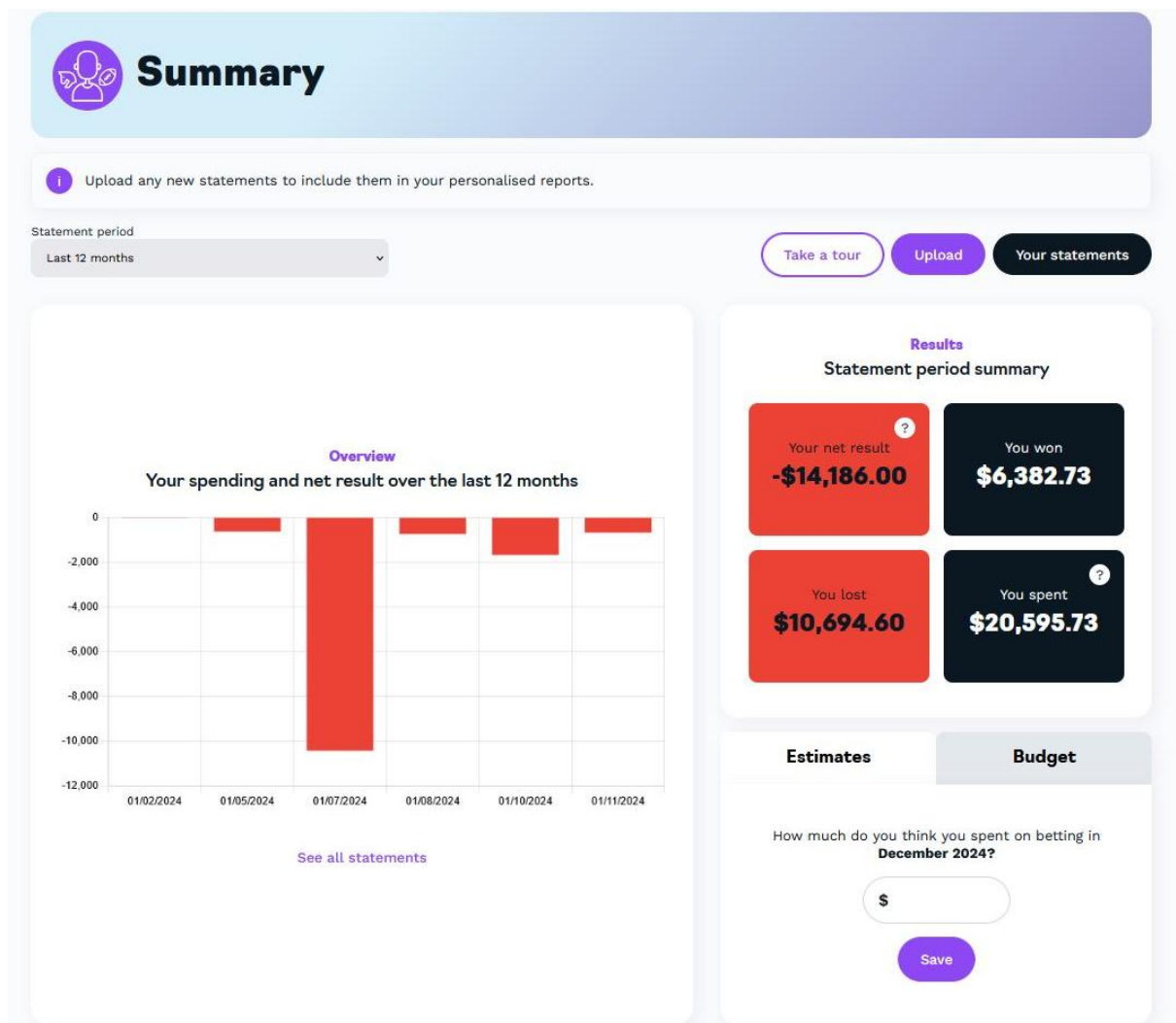


Figure 1 Screen shot from Bet Well digital intervention developed by the University of Sydney Gambling Treatment and Research Clinic

4. Education and Public Awareness

Consumer education remains vital but must go beyond simplistic messages about “gambling responsibly.” Psychoeducational literacy about gambling mechanics, risk factors, financial decision making, and the tactics used by illegal operators can empower individuals to make informed decisions. Public campaigns should be evidence-based, tested for effectiveness, and avoid victim-blaming narratives that obscure industry and regulatory accountability.

5. Industry Transparency and Accountability

Legal wagering operators must be held to high standards of transparency, particularly regarding revenue sources, marketing practices, and consumer engagement data. Disclosures about the risks of specific products, sponsorship relationships, and inducement usage are critical to building trust. Whistleblower protections and independent auditing further enhance accountability.

The Role of International Collaboration

Given the cross-border nature of illegal betting, international cooperation is indispensable. Multilateral partnerships among regulators, law enforcement, sporting bodies, and technology firms can facilitate data sharing, harmonise enforcement actions, and advance collective standards. Sharing data with independent researchers on gambling behaviours, marketing practices, and intervention outcomes can inform evidence-based policies and promote best practices across jurisdictions. Collaborative efforts can also enhance the detection and disruption of illegal gambling activities, protecting consumers from unregulated and potentially harmful platforms.

The IFHA's leadership in this space is commendable, and further alignment with public health and psychological research can strengthen these efforts. Collaborative initiatives such as the Council on Anti-Illegal Betting and Related Crime offer a unique platform to translate academic insights into regulatory and operational practice. Embedding psychological science into these frameworks can support more anticipatory and adaptive responses to emerging risks.

Conclusion

Illegal and offshore gambling poses significant threats to consumer safety, public confidence in wagering, and the integrity of sports and racing. Addressing these challenges requires a comprehensive response grounded in behavioural science and public health principles. Any focus on combatting illegal gambling also places an essential onus on regulated operators to uphold high integrity standards, particularly in relation to consumer protection. By prioritizing ethical design, transparent communication, and proactive interventions, legal operators can mitigate gambling-related harms and establish a competitive advantage over offshore entities. As psychological research highlights, individual choice is shaped—and often constrained—by structural and environmental factors. Regulatory systems and industry practices must therefore evolve to prioritise sustainable play, reduce exposure to harm, and eliminate predatory offerings, especially in the rapidly expanding digital betting ecosystem.

International collaboration and data sharing further strengthen the collective capacity to protect consumers and uphold the integrity of sports and race wagering. By centring harm minimisation within an integrated framework of enforcement, design, education, and international cooperation, we can better protect vulnerable populations and uphold the social licence of legal wagering. Psychological science has a vital role to play in informing this evolution.



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From Regulation to Risk: Illegal Markets and the Inadvertent Growth of Gambling Harm by Over Regulation of Legal Markets

By Martin Purbrick, Chairperson, IFHA Council on Anti-Illegal Betting and Related Crime

Introduction

Gambling is a constantly changing activity as consumer preferences and products evolve based on changing social and economic conditions in every country. The evolution of gambling, and the potential harm to consumers, can change more quickly because of shocks that can cause a transformation of consumer behaviour.

The Covid-19 pandemic drove one such transformation, with increases in rates of online betting raising questions regarding the consequent impact on gambling harm levels around the world. An academic review of studies into the impact on gambling of restrictive measures implemented to limit the spread of Covid-19 concluded that there was a strong reduction in the frequency and expenditure on land-based gambling products (including sports betting), but an increase in online casino and skill games, and overall, a significant migration from land-based gambling to online platforms. These changes in consumer behaviour were because of the physical closure of land-based gambling venues and more time spent at home, the suspension or cancelation of sporting events on which customers used to bet, and more mental health issues arising during this challenging period.¹

The significant changes in consumer gambling behaviours during and after the Covid-19 pandemic are more likely to lead to greater risk of gambling harm rather than lower risk. A key part of the higher risk of gambling harm has been the faster consumer shift to illegal betting markets rather than legal markets, which the IFHA Council (then the ARF Council) explained in 2021, saying that “Illegal operators could adjust their betting product offering much faster than legal licensed operators, who are often restricted by condition of licence or other regulations as to what betting products they can offer.”²

Gambling regulators historically react to changing risk levels of gambling harm by tightening controls on legal licensed gambling channels but rarely acknowledge that many consumers may instead have turned to illegal betting and online gambling markets, which are beyond the visibility and scope of regulators.

The findings from changes to consumer behaviour since 2020 necessitate a reappraisal by gambling regulators to ensure that over-regulation of legal markets does not inadvertently drive consumers to illegal markets and consequently cause greater risk of gambling harm. Such regulatory appraisals should consider if betting on racing and other sports presents less risk of gambling harm than online gaming casinos, and if a lower tax on the former, and a higher tax on the latter, is a key means of differentiating the comparatively lower risk of gambling harm emanating from sports betting.

These questions are not for gambling regulators alone, and legal gambling operators must change their approach to ensure lesser risk of gambling harm. Gambling companies should differentiate between lesser and higher risk products and not bundle them to deliver to consumers, which disguises differing risk levels between the various and wide-ranging betting products that they offer.

In the same vein, gambling companies providing a single online wallet for customers to bet on racing and other sports as well as gamble on online casino gaming increases the risk of gambling harm because sports betting may be an entry point to online casino gaming. Wallets for customers' funds for both products should be separated, with regulatory requirements implemented to ensure compliance.

Betting on sports and racing should be clearly differentiated from online casino style gaming so that the former is not perceived as a potential pathway to the latter. This can be done by a clear separation of products by legal gambling companies, with this separation being structurally defined by ensuring the continuation of lower tax rates on betting on racing and other sports and higher tax rates on online casino style gaming.

Illegal Betting and Gambling Harm

The World Health Organisation (WHO) estimated in 2024 that 1.2% of the world's population has gambling disorder.³ However, in defining the scope of the problem the WHO states that "Gambling is now legally available in many countries" and "It has been normalized through new commercial associations with sport and cultural activities that are now heavily promoted." The WHO however, does not make the distinction between legal and illegal gambling, an area in which this Council has conducted longitudinal research into for a number of years. It shows that illegal gambling growth is faster than legal markets that have no responsible gambling measures and, consequently, that these illegal markets are a major driver of gambling harm.

Accounting for approximately 60% of the global population, Asia is the most populous continent in the world, with China, India, Pakistan, Indonesia and Bangladesh together making up around 42% of the world's population. These five countries are bound by one commonality: their legal betting markets are limited and, as a consequence, their illegal betting markets are huge, leading to a natural inference that a significant portion of gambling harm in the global population is driven by illegal betting.

To quantify this assertion, almost 3.6 billion of the total global population of just over 8 billion live in countries where illegal betting markets are dominant, and hence the greater risk of gambling harm to consumers is evidently from illegal markets. The WHO does not provide global gambling disorders by geographical splits but does acknowledge that "Smartphone use in low- and middle-income countries will drive much of (global betting market) growth"⁴ in the foreseeable future. Therefore, it is safe to surmise that gambling harm affecting almost half of the 1.2% of the world's population may originate from illegal betting markets, and not from legal, licensed markets.

India

In India, the most popular sport is cricket, but there is no effective legal betting market for that sport. Consequently, the annual deposits on all illegal betting and gambling in India have been estimated to amount to almost USD 100 billion.⁵ According to CUTS International, “illegal gambling markets often prey on vulnerable segments of the population, including minors, young adults, individuals at risk of developing gambling addiction, and high spenders.”

There is limited legal regulated betting in India, a huge illegal gambling market, as well as a major public health impact, which an article in the Lancet detailed in 2023: “Gambling is a major public health problem in India: evidence from regional studies suggests that lifetime gambling prevalence is as high as 46%, while problem gambling prevalence is around 7.4%. The online gaming industry is expanding rapidly, and might grow to US\$5 billion by 2025, with approximately 500 million users.”⁶

Whilst the Lancet article indicates the worrying scale of gambling harm in India, it fails to recognise that the majority of gambling (including sports betting) is conducted through illegal channels and platforms and operated by organised crime groups, not regulated commercial entities. The greater driver of gambling harm in India is therefore assessed to be the illegal gambling market.

China

In China, most forms of gambling are banned. The legal gambling market is limited to state-operated welfare and sports lotteries, with no legal betting on racing, other sports or online games. The scale of the state controlled legal lottery market is impressive, with national lottery revenues amounting to a record RMB709.7 billion (USD 99 billion) in 2024, which was nearly double the level prior to the Covid-19 pandemic.⁷

Despite the strong lottery market, there is a huge illegal gambling market in China and, as a result, the prevalence of gambling addiction in China is reported to be higher than in any Western country (usually around 1% of the population), at 2.5 to 4% of the adult population.⁸ Clearly, illegal gambling is also the greater driver of gambling harm in China.

Indonesia

In Indonesia, betting and other gambling is strictly prohibited because the law is rooted in Islamic principles. In the absence of any legal betting market, there is a significant illegal market involving 3.7 million Indonesians who placed more than \$20 billion in bets in 2023. The illegal betting problem is causing widespread gambling harm in the country, which led the government to form an anti-gambling task force in June 2024⁹ to tackle problem, made worse by the “anonymity provided by online platforms, allowing individuals to gamble without facing social stigma or legal consequences, making enforcement difficult.”¹⁰ With no legal regulated market in existence in Indonesia, the driver of gambling harm in this country is entirely the illegal market.

Pakistan

In Pakistan, all gambling is prohibited by law, driven by the Islamic prohibition of the practice. Despite this, it has been reported that approximately 22% of people in Pakistan engage in gambling, chiefly attributed to online international betting websites satisfying local demand for betting products. As these operators are not regulated and have no obligation or inclination to provide responsible gambling measures, they present a greater risk of gambling harm to Pakistani consumers.¹¹ In a country where cricket is passionately followed by tens of millions of fans, the growth of illegal betting on the sport with no gambling regulatory framework brings unconstrained gambling harm.

Bangladesh

Bangladesh is also a predominantly Muslim nation and prohibits all gambling except on horse racing. From 2023, the authorities in Bangladesh actively blocked international gambling websites including 1xBet, Bet365, and Mostbet, but since then a new generation of home-grown gambling websites that more effectively targets consumers using local languages and cultural norms, especially through social media, has developed.¹² The outcome of this unrestricted illegal market is that “betting addiction is becoming a silent epidemic” according to mental health professionals in Bangladesh.¹³

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Of the five countries with the largest populations in Asia, all have high levels of gambling harm due to huge levels of illegal gambling caused by either limited legal betting markets (India, China) or non-existent legal markets (Indonesia, Pakistan, Bangladesh). These countries illustrate that gambling harm occurs on a significant scale in society without a legal regulated market.

All gambling and betting companies have a duty of care to consumers to minimise harm from gambling. This is possible in a legal, regulated environment, but non-existent in growing illegal betting markets where operators are not regulated and offer no consumer protection tools.

Gambling is controlled via regulation by most governments to ensure that there is a legal market to satisfy consumer demand but that gambling products are not excessively harmful to the population. It is critical that there is an effective legal betting market, because if consumer demand is not satisfied, consumers will inevitably turn to illegal markets where the risk of gambling harm is far greater. Effective legal markets can be undermined by the over-regulation of licensed operators as part of efforts by gambling regulators to reduce the risk of gambling harm.

Given this, the appropriate and balanced regulation of licensed operators is essential for healthy gambling markets to satisfy consumer demand, coupled with as low risk of harm to consumers as possible without reducing the attractiveness of legal gambling products to the extent that consumers turn to online illegal markets. After the Covid-19 pandemic, this risk is higher as many consumers have changed their habits to engage in

more online gambling, with products eagerly supplied by illegal operators who are unregulated.

Regulating legal gambling products and the inadvertent growth of illegal markets

The risk of gambling harm should be viewed not only through the difference between the legal and illegal markets, but also from the impact of different gambling products on consumers. It is widely accepted that certain forms of gambling have a stronger association with gambling harm than others, and that there is less risk of gambling harm developing from betting on racing and other sports than from online casino style gambling (such as betting on lotteries, gambling machines and roulette – all defined as ‘games-of-chance’.)

Risk levels from different gambling forms are determined by several factors, including speed (game or event frequency), availability, game-continuity, payback intervals, chance of winning, jackpots, near-wins, multiple and variable stake opportunities, sound, light and colours, and other parameters.¹⁴

Research in Sweden has found that the proportion of problem gamblers differed among participants in different forms of gambling, with the proportion of problem gamblers significantly higher among electronic games machines, poker, casino and bingo gamblers compared to those playing lotteries and lottery/number games as well as horse bettors. In addition, the proportion of problem gamblers among racing and sports bettors was significantly higher only in relation to people playing the lotteries and significantly lower only in relation to casino gamblers.¹⁵

The research concluded that the relationship between involvement and problem gambling is influenced by the specific forms of gambling in which individuals participate. The study also found a strong correlation between the intensity of gambling, an intrinsic characteristic of problem gambling, and involvement in gambling.¹⁶ Betting on horse racing is a skill-based game involving comparisons of data at a relatively slow speed (i.e. races separated over a period of time), compared to repetitive games of chance, such as online electronic games that are designed for consumers to wager quickly. The study concluded that “Interactive internet gambling, EGMs, casino gambling, and high-stakes unregulated/illegal gambling are often relatively harmful forms of gambling. Instant lotteries and ordinary lotteries (including lotto and other number games) generally appear relatively harmless. Other forms of gambling—sport pools, bingo, horse betting, and sports betting—typically constitute an intermediate category that is moderately associated with problem gambling.”¹⁷

Electronic gambling machines have been identified as the gambling form most likely to cause harm, and as internet use has expanded these games have become more widely available and played online. For instance, electronic gambling machines offering an auto-play feature on online casinos have been identified in academic studies as

increasing total gambling activity in terms of bets and (perhaps) spins at the population level.¹⁸

An Australian research study echoed these findings, stating that “while participants perceived that the gambling associated with all products was harmful to some degree, the greatest harm was attributed to casino gambling and Electronic Gambling Machines”. The mean level of perceived harm associated with casinos was significantly higher than for horse betting and sports betting. Similarly, the perceived harm associated with EGMs was significantly higher than for horse betting and sports betting.¹⁹

Survey participants in this study perceived that EGMs were most harmful and described factors such as the exploitative nature of the games, described as being ‘rigged’, creating unrealistic perceptions that you could win, and with design features of machines that led to addiction and placed profits over the welfare of people.²⁰ By contrast, some participants described horse racing as an integral part of Australian culture, particularly events such as the Melbourne Cup, although this could be a pathway to gambling harm if betting is promoted too strongly.

A 2017 Finnish research study added that “multiple factors were associated with gambling harms, including age and gambling intensity. Games that provide a possibility for high-frequency gambling are more linked to harms”.²¹

A key differentiator of differing risk gambling products is tax, which should cause higher prices for higher risk products. A higher rate of tax on a gambling product results in higher prices passed on to customers, which can lead to more customers migrating to illegal betting markets where prices are of better value because operators do not pay any tax.

This leads to a consequent decrease in legal betting with licensed operators, decreased taxation, decreased contributions to sports such as horse racing (which rely upon income from betting), and an increase in consumers betting illegally. This situation is illustrated by a variation of the Laffer Curve, which shows that as the tax rate is increased, the tax revenue decreases; however, illegal betting also increases and, consequently, so does harmful gambling, as do the costs associated with the treatment of that harmful gambling.²² Additional research is required to ascertain where this additional cost, caused by illegal betting operators but typically borne by their legal counterparts (regulators normally allocate a portion of betting tax revenue to treat gambling harm) should be factored into this variant of the Laffer Curve.

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This article concludes that there have been dramatic changes in consumer behaviour during and after the Covid-19 pandemic that are far more likely to lead to greater risks of gambling harm than before. Gambling regulators should seek to understand these changes to better differentiate between lower risk levels of gambling harm in legal

markets and higher risk levels in illegal markets. This should influence greater differentiation to avoid over-regulation of legal licensed operators to avoid driving consumers to illegal markets.

There are also strong indications that betting on racing and other sports presents less risk of gambling harm than online casino gaming. There should be far stronger differentiation between these two sets of gambling products, including separation of customer wallets by licensed operators (which should be ensured by regulatory requirements). The differentiation of gambling harm from different products should also be recognised in lower tax on betting on racing and other sports and a higher tax on online casino style games, with further research into where the optimal rate of taxation for legal operators should lie.

As gambling markets around the world continue to change at a startling rate, gambling regulators must do more to protect consumers by maintaining balanced legal markets that avoid over-regulation, which risks driving consumers to illegal markets and inadvertently causing more gambling harm.

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- ⁴ Ibid
- ⁵ CUTS International, Centre for Competition, Investment & Economic Regulation, Fixing the Odds: A Policy Blueprint for Curbing Illegal Online Gambling in India, 2025 (<https://cuts-ccier.org/fixing-the-odds-a-policy-blueprint-for-curbing-illegal-online-gambling-in-india/>)
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Responsible Gambling: How Licensed Lotteries Lead in Responsible Gambling Standards

By Luca Esposito, Executive Director, World Lottery Association and Member, IFHA Council on Anti-Illegal Betting and Related Crime

It is essential that licensed lottery operators deliver high standards of responsible gambling to ensure that gambling regulators and stakeholders in society have confidence that the industry is committed to preventing gambling harm. This is especially important as we need to show that responsible, legal, licensed lotteries as well as betting on racing and other sports are a positive means of combatting the higher risk gambling pushed to consumers by illegal gambling operators. To build consistent standards of responsible gambling across the industry, a platform of committed operators is necessary.

The World Lottery Association ([WLA](#)) is an international member-based association of state-controlled lotteries, licensed sports betting operators, and suppliers to the global gaming and sports betting industry.

We aim to be recognized as the leading standard-setting organization for global lotteries and betting game operators. As such, we strive to progress our international community, by providing value to our member base of over 150 lotteries and sports betting operators, through key products, services and sharing of knowledge.

We assist our members in achieving their goals of creating positive societal impact through the support of good causes, while upholding integrity and responsible gaming and security standards, as well as addressing key issues that impact our industry.

The four pillars of our work are covered by our:

- Betting Integrity on Sports and Horse Racing Committee ([BISHRC](#))
- Combating Illegal Lotteries and Betting Committee ([CILBC](#))
- Corporate Social Responsibility Committee ([CSRC](#))
- Security and Risk Management Committee ([SRMC](#))

Committed to the highest standards of integrity

The Council of Europe, Convention on the Manipulation of Sports Competitions, aka The Macolin Convention, was developed to address growing illegal sports betting and manipulation of results, which had seriously damaged the image of sport in a number of countries. It called for the development and implementation of mechanisms to reduce the risk of match fixing, illegal sports betting or other illicit activities.

The WLA was instrumental in drafting the initial version of The Macolin Convention, and is aligned with its definition of legal and illegal gaming, which is embedded in our Code of Conduct from 1999. We have also developed [The Macolin Convention – Best Practice Guide](#).

Over the last decade, a number of factors have contributed to a boom in online gaming and sports betting for both regulated and illegal betting markets, including the global pandemic, rapid digitalization, innovative technologies and solutions, improved connectivity, increased use of mobile devices, and the growing legalization of sports betting in different jurisdictions.

In response to this growing online betting market, the WLA has an established strong commitment to protecting integrity in sports through its contribution to the Macolin Convention as well as the United Lotteries for Integrity in Sports ([ULIS](#)) platform to identify suspected competition manipulation. In addition to protecting integrity in sports, the WLA is also committed to minimizing gambling harm risk as online betting markets grow.

Committed to the highest standards of responsible gambling

The regulated gaming and sports betting industry relies on public trust and must ensure that player environments are secure, safe and offer responsible gaming.

The issues of ensuring Responsible Gaming, fighting illegal gaming and sports betting operators, and maintaining sports integrity by combating match fixing, are interrelated and must all be addressed.

Unlicensed operators jeopardize the reputation of the regulated lottery and sports betting industry – which prioritizes player safety – by:

- Not deploying player safety measures in their gaming environments. This allows more funds to be used to develop exciting offers that may entice players away from legal betting sites and give unlicensed operators an unfair advantage over regulated operators.
- Not paying taxes. This contravenes the essence of the lotteries, which is to raise money for good causes, and benefit individuals, communities and societies around the world.
- Accepting online payments using cryptocurrencies. Together with the absence of know your customer (KYC) processes, customers may play anonymously, and potentially launder funds gained from illicit activities. Such operations may be transnational and difficult for authorities to detect, trace and stop.

Players may not even realize that they are on an illegal gaming or sports betting site, which might advertise larger payouts, that ultimately are not honored. Thus, together with the work and support of our Committees, WLA members must remain vigilant and alert the relevant authorities and their customers to any illegal operations within their jurisdictions.

WLA Responsible Gaming certification

The WLA CSR Committee ([CSRC](#)) carries out Responsible Gaming (RG) work, which is at the core of our CSR activities, and sets our members apart from illegal gaming and betting operators.

Our members are united in their commitment to foster the continuity of public order and the fight against illegal gambling as defined by governments in their jurisdictions.

This commitment provides the background for the [WLA Responsible Gaming Principles](#). Using the WLA By-laws as a reference, the RG Principles were established to develop a comprehensive set of standards related to social responsibility.

In pledging their support for these principles, our members commit to making RG an integral part of daily operations, including activities involving employees, patrons, retailers and other stakeholders.

The RG Framework (RGF) comprises four levels of certification, to which members must adhere. Once achieved, they can demonstrate that they follow industry best practices, to ensure responsible gaming environments and offers for all players.

In 2024, the WLA adopted a new By-law, stating that new members must obtain at least Level 2 RG certification within 18 months of joining, and existing members must achieve the same before May 2026. We also require all members to use the Platform for level 3 and 4 RG certification submissions.

In line with this, we have increased the development of tools and resources to help our members with their CSR and RG certification work. This has resulted in the growth of membership certification to Levels 2, 3 and 4, from 65% in 2022 to 84% in 2025.

In order to facilitate certification, the WLA has partnered with DigitalRG.com to provide members with the [DigitalRG Platform](#), which simplifies the RG certification process that can be carried out entirely on the Platform.

Much thought was given to improving the process through the development of the Platform's features, such as:

- Applicant's certification history is saved.
- Easy-to-use dashboard and instructions to complete the entire application.
- Ability to upload all related documentation in different formats.
- Automatic translation of the application into English.
- Posting of assessment results, and notification of the next certification date.

The WLA offers members undergoing the different levels of certification financial support, including:

- Payment of fee for lotteries undergoing level 2 certification for the first time on the DigitalRG.com platform.
- Payment of the annual license cost for use of the Platform by level 3 and 4 RG certification applicants.
- Payment of a perpetual license for the Independent Assessment Panel (IAP) to use of the platform to evaluate submissions.

The WLA works hard to keep members updated on the latest developments and industry trends that impact our members, and to provide them with useful tools, materials and learning opportunities to achieve their goals of raising funds for good causes in a responsible, safe manner and to benefit society.

We organize webinars and seminars, also with partners, such as DigitalRG.com, and our Regional Association partners that provide trainings, answer questions and allow certified lotteries to share their experiences, exchange best practices and importantly learn from one another.

The CSRC has also established a buddy program, to help new certification applicants navigate the process. Lotteries that have achieved certification are paired up with others that are beginning the journey, in the same region, to share their experiences and provide guidance.

In 2025, a newly dedicated [CSR & RG knowledge and resource area](#), was launched on the WLA publications website. It contains the RGF standard and related documents, best practice guides, news, case studies and research.

It also features a Q&A platform, which allows members to submit their Responsible Gaming questions to our network of CSR experts for answering. All members will benefit from the Q & A, which will remain displayed and be a useful reference and responsible gaming resource.

Project RED initiative

Project RED stands for – Responsible, Ethical and Dynamic. This initiative is part of the WLA Strategic plan and was launched in collaboration with European Lotteries (EL), Asia Pacific Lottery Association (APLA), African Association of Lotteries (ALA), and (CIBELAE).

The aim is to enable lotteries to:

- Learn from others to improve their own practices.
- Connect with peers to exchange directly and understand trends.
- See benchmarking data to help make a case for improvement.

As part of Project RED, members gain access to a directory, case studies, and data for benchmarking. The Case Studies feature provides examples of practices collected from various lotteries through questionnaires. These case studies are a way for members to share information about their responsible gaming and environmental practices. In the future, the project plans to give awards to the best case studies, and provide rankings for lotteries that wish to benchmark themselves using this information.

To date, over 50 WLA lottery members have responded to the survey across 35 countries, creating a valuable global database of current practices.

Enhancing consumer protection with technology

As online gaming and sports betting continue to grow, the regulated lottery and sports betting industry embraces technologies to enhance the security and safety of products and services, as well as the overall player experience.

Our events follow evolving technologies and allow our members to exchange experiences and learn what new RG and other measures are being deployed by their peers and industry suppliers around the world. These events cover artificial intelligence for marketing, RG, security, and general business operations.

Our Platinum (BrightStar, Intralot, Pollard Banknote, and Scientific Games) and Gold Contributors (Aristocrat, Carmanah Signs, Jumbo Interactive Ltd, and OpenBet), develop innovative solutions, using artificial intelligence technologies, that assist our members in delivering safe gaming environments.

Additionally, some of our members develop their own AI-based solutions, for instance, in Finland, [Veikkaus](#) has integrated its AI system into the cloud. It uses player data to establish a gambling risk score for all players, who must set a gambling limit. This information makes it possible to help those who may be at risk of gambling addiction.

[Singapore Pools](#) has created a Nudge Model program that promotes responsible gaming by using player data gathered through its online gaming portal, which applies AI techniques to player analytics to generate insights into player behavior. If players deviate from their normal gaming behavior, these insights are fed back to them as a series of prompts that ‘nudge’ them into adopting good habits of responsible play.

In Uruguay, [LaBanca](#) has been using behavior monitoring software, based on preventive algorithms that raise awareness of potential issues, by sending alerts and recommendation messages to players. This way, they know how much time they have spent online, and the amount of money lost.

Looking ahead

Our work to assist our members in offering responsible gaming environments to their players is ongoing. It includes following and informing on the latest trends and technologies that continually impact and reshape our industry. We also use member feedback to develop effective, timely products, and services, as well as create opportunities to share experiences, intelligence and knowledge, through events and projects with different partners.

We remain committed to our members, and to positively advancing the global regulated lottery and sports betting community in order to better protect consumers. Lessening gambling harm by improving the understanding of risk to consumers is an essential part of the responsibility of legal, licensed operators, which the WLA will continue to champion.