



## Gambling industry black market warnings about illegal gambling need to be critically evaluated

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While the prohibition of gambling is becoming increasingly rare, jurisdictions vary in terms of legal availability (Wardle et al., 2024). A common thread underlying international gambling industry lobbying arguments is that market restrictions lead people to gamble on the illegal black market (Wardle et al., 2021). First, consider Great Britain, where it has long been legal for operators to provide most forms of gambling. The 2020s have been characterised by British policymakers' consideration of restrictive harm prevention policies (DCMS, 2023). There, industry has argued that "any changes introduced by the government must not drive gamblers towards the growing unsafe, unregulated black market online" (Razzall, 2023). Next, consider Canada, where provincial state-run monopolies have been the only legal providers, with Ontario being the first to open its market to private competition in 2022. There, industry lobbying efforts have stated that illegal gambling means that other provincial monopolies should be opened to private competition in order to bring more of this illegal gambling into the regulated market, with Alberta set to also make this change in 2026 (Macedo, 2025). Lastly consider Sweden, where the state-run monopoly was opened to competition in 2019 (Goedecke et al., 2024). There, industry is now using the same illegal gambling argument to lobby for a weakening of harm prevention market restrictions that were implemented as a part of the 2019 reform, arguing that it is on the unlicensed gambling market that consumers want to be, free from restrictive rules on bonuses, high taxes, and limitations on which games may be offered (Hoffstedt, 2024).

These arguments need to be critically evaluated, given their prevalence and potential influence on international policy. Despite the diversity of market structures, and the specific policy options for which the gambling industry is lobbying, these industry arguments essentially claim that legal and illegal markets are economic substitutes: if



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people find it too hard to gamble legally, then they will gamble illegally. However, legal and illegal markets could also be economic complements, meaning that if people tend to gamble more legally, then they will also tend to gamble more illegally. Various examples appear more consistent with the economic complement argument.

In New York, horse racing was legalised in stages, with on-track betting first being made legal at the horse-racing tracks (Devereux, 1980). It is easy to see in hindsight why this did not eliminate illegal bookmakers, who had a competitive advantage in providing betting services within the community, and therefore not requiring people to travel to the track to bet (Devereux, 1980). However, off-track betting was then legalised in 1971, with a policy paper later calculating that the illegal market had grown by 62 percent by 1974 (Schwartz, 2005, p.145). That paper argued that convenient, legal off-track betting increased the popularity of gambling among those who may not otherwise gamble, some of whom then progressed to illegal gambling as their engagement deepened. This same point has been made by Professor Nelson Rose, an expert on gambling and the law (Rose, 1986).

One aspect of the current British market appears consistent with these historical observations. Some illegal operators serving the British market advertise themselves online as not being on Gamstop, meaning that they are not a part of the national self-exclusion scheme (DCMS, 2023). "Not on Gamstop" operators even have their own logo, which modifies the exclusion scheme Gamstop's logo by adding a cross through it. Figure 1 shows a screenshot of a not on gamstop operator's logo as shown on a social media advert, which can be compared against the actual gamstop.co.uk logo shown in Figure 2. This logo and marketing strategy appears targeted to the nearly 500,000 registered self-excluders in Britain (Fletcher, 2025) and is thought to account for 84 percent of all illegal gambling promotion in Britain (Bjoerck, 2025). This suggests that restrictions on the British legal market are not a core driver towards the illegal market and could actually shrink the core audience for illegal gambling. Interestingly, illegal Swedish operators have been observed using a similar branding mentioning the self-exclusion scheme Spelpaus (Martinsson, 2025).



**Figure 1.** Screenshot of a “not on Gamstop” gambling operator’s social media advert as obtained from the Meta ad library. The advertisement has since been taken down by Meta because of its illegality.



**Figure 2.** The Gamstop logo, The National Self-Exclusion Scheme, 2026.

Industry warnings about illegal gambling reveal an interesting asymmetry regarding evidence in gambling policy. For years, international industry representatives have argued against legal restrictions on gambling advertising, citing a lack of causal evidence (Newall et al., 2024). And yet, research funded by the industry on illegal gambling also fails to meet this evidentiary standard (PwC, 2021). The standard of evidence should be held constant across different policy issues. The United States is today going through a wave of legalization of online gambling, and yet illegal gambling websites, often using cryptocurrencies as payment mechanisms, appear popular (Sobrado, 2026). High quality state-by-state time-series data on the size of legal and illegal markets may present the best opportunity to test whether they are economic substitutes or complements.

Lastly, the industry's preferred black market terminology for illegal gambling can be seen as another instance of narrative framing, portraying it as a uniquely risky activity on which policy attention should therefore focus (Reith & Wardle, 2022; Wardle et al., 2021). Until strong evidence emerges, policymakers should instead base harm prevention policies on academic consensus, that effective gambling harm prevention means decreasing the total level of gambling consumption in the population (Rossow et al., 2025). This means evidence-based harm prevention measures on the legal market, complemented by financial blocking measures for the illegal market (Egerer & Marionneau, 2024).

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