Landman Economics

Commentary on the Gambling Commission's Research Report Series on Illegal Online Gambling, published September–November 2025

A report for the Campaign for Fairer Gambling by Howard Reed, Landman Economics

December 2025

Introduction

Between September and November 2025 the Gambling Commission published a series of reports analysing the illegal online gambling market in Great Britain:

Report 1: ***Illegal online gambling: Consumer awareness, drivers and motivations*** (Gambling Commission 2025a) – published 18 September 2025.

Report 2: ***Illegal online gambling: Consumer engagement and trends*** (Gambling Commission 2025b) – published 25 September 2025.

Report 3: ***Illegal online gambling: Disruption of illegal online gambling*** (Gambling Commission 2025c) – published 21 October 2025.

Report 4: ***Illegal online gambling: Challenges of estimating the size of the illegal gambling market*** (Gambling Commission 2025d) – published 06 November 2025.

This report is a commentary on this series of Gambling Commission (GC) reports.

The Gambling Commission series of reports is a significant body of work with a large amount of useful research and recommendations, but there are also some important shortcomings and limitations in what has been published. This report focuses in particular on areas where the analysis is flawed in some way, or the focus of the work is misplaced, or where additional analysis would have been beneficial. Sections 1 to 4 of this report cover GC Reports 1 to 4 respectively. Section 5 covers an additional issue identified in Reports 1 and 4, which is the failure to include questions on illegal gambling in the Gambling Survey of Great Britain (GSGB). Section 6 offers conclusions.

1 Methodological issues with Report 1: *Consumer awareness, drivers and motivations*

The analysis for Report 1 was undertaken by Yonder Consulting, a business management consultancy which describes itself as "a strategic transformation company where insight and imagination come together to create lasting impact in a rapidly changing world"[1]. The research consists of two quantitative surveys (Phase 1 and Phase 2) and a qualitative research component. The Summary report contains a write-up of the main results from the quantitative and qualitative research. The report contains links to detailed reports from Yonder Consulting on Phase 1 and Phase 2 of the research (Gambling Commission 2025e, 2025f); these are referred to hereafter as the Phase 1 report and the Phase 2 report respectively.

1.1 Sample size for quantitative analysis

The sample size for the Phase 1 quantitative component of the Yonder Consulting research is only just over 1,000 respondents, which is relatively small for a quantitative survey. For whole-group analysis (for example, looking at the proportion of respondents who engage in illegal gambling activity) the sample size is sufficient, but subgroup analyses (for example illegal gambling activity by age group) may be problematic. It is difficult to be sure whether the differences in (for example) use of social media by survey respondents who engage in illegal gambling by age group are statistically significant, as no confidence intervals or other analysis of statistical significance are included in either the Phase 1 or Phase 2 detailed reports. The sample size for the Phase 2 quantitative survey is significantly larger at just over 2,000 respondents, which means that the results from the Phase 2 quantitative analysis are more robust than Phase 1.

[1] https://yonderconsulting.com/

1.2 Characterisation of illegal online gamblers

Based on the Phase 1 qualitative research for Report 1, Yonder Consulting classifies illegal online gamblers into four groups, as follows:

1. **Self-excluders** – individuals who gamble on illegal gambling websites but who have chosen to self-exclude from all licensed gambling websites by registering with GAMSTOP and/or using other gambling blocking schemes or software.
2. **Skilled advocates** – individuals who knowingly and systematically engage with illegal websites, motivated by the desire to acquire new skills and explore a variety of new game types.
3. **Social explorers** – individuals who discover these websites through social networks, social media, search engine advertising, affiliate websites and gambling forums.
4. **Accidental tourists** – individuals who stumble upon these websites completely by chance, and therefore unknowingly engage with the illegal online gambling market.

While this breakdown seems like a useful categorisation of online gamblers, the process by which Yonder Consulting arrived at this fourfold classification is not explained clearly in the Phase 1 technical report. Footnote 1 in the Phase 1 report states that “these audiences reflect attitudinal and behavioural leanings and have been drawn out of qualitative research. They have not been subject to any quantitative segmentation so remain directional”. This description of the classification process leaves the reader none the wiser.

Also, it is not clear that these categories are mutually exclusive. For example, there is a clear potential overlap between categories 1, 2 and 3. Someone might have self-excluded from licensed gambling websites but also could be a ‘social explorer’ and/or a ‘skilled advocate’. The Gambling Commission plans to collect data on the characteristics of illegal online gamblers in future waves of the Gambling Survey of Great Britain (GSGB) using this four-way classification. To allow the GSGB data to take account of overlaps between the four categories, it would be useful if the GSGB questionnaire could be structured to make it possible for respondents to classify into multiple categories rather than making the categories mutually exclusive.

1.3 Number of interviews for qualitative analysis

The main qualitative analysis for Report 1, conducted in June 2024, is based on 10 in-depth interviews with quantitative survey respondents identified as using illegal gambling websites. This is supplemented by two focus groups in July 2024 with 7 participants each, recruited from the GC's wider lived experience network. There was also an initial 90-minute focus group with 11 participants in March 2024. In each case the number of participants is small. This is completely standard for qualitative research projects, and not a problem in itself. However, the small numbers of participants for the in-depth interviews does mean that there are likely to be only two, or at most three, individuals corresponding to each of the illegal online gambler types outlined in the previous section. This means that the specific gamblers interviewed for the qualitative research could be quite unrepresentative of the general population of illegal online gamblers in these categories.

1.4 Lack of detail in Report 1

There are several statements in Report 1 that would benefit from more detail to make the results clearer for the general reader. For example, the "Overview" section states that "there does not appear to be a clear distinction between the demographics of consumers that gamble with legal websites compared with illegal gambling websites. As with legal gambling websites, reported engagement with illegal gambling websites also tends to be higher among men, younger individuals (aged 18-24 years), those who gamble more frequently, and those who score 8 or more on the PGSI (Problem Gambling Severity Index)". It would be useful to have more detail on these findings in the main report as they are some of the most interesting findings from the report. There is some additional detail in the technical Phase 2 report, but not in the main Report 1.

1.5 Under-18s excluded from the analysis

Yonder Consulting's quantitative analysis finds that the demographic profiles of legal and illegal online gamblers are very similar – primarily men, younger individuals aged 18-24, frequent gamblers and those scoring 8 or more on the Problem Gambling Severity Index (PGSI). However, recent research from the data analysis company Yield Sec for the Campaign for Fairer Gambling published in September 2025 – around the same time as GC Report 1 – finds that most of the growth in "black market" gambling in recent years is due to gamblers aged under 18 and self-excluded players – audiences with "no legal options and no other choice than illegal

operators" (CFG, 2025). While self-excluded players are included in the Yonder Consulting quantitative analysis, under-18s are not – the quantitative (and qualitative) research used adults only. The Yield Sec results suggest that the Gambling Commission is ignoring illegal gambling from a key demographic – children – by focusing exclusively on players aged 18 and over.

1.6 Insufficient focus on the harms caused by illegal gambling

The quantitative survey aspect of the Yonder Consulting research is designed to look mainly at the interaction of legal and illegal online gambling rather than producing an incidence rate for illegal gambling across the British population – and in fact, the Phase 1 report specifically states that "landing on an incidence rate for illegal gambling was not within the scope of this research". A problem with the research is that it does not consider the relative harms of gambling for each of the four groups classified in Section 2 above. Self-excluders may be significantly more engaged with illegal gambling than accidental tourists, for example, but this is not discussed in the report. There is no information on the average amount of illegal gambling harm within each group; it would have been useful for the quantitative survey to include questions on the amount of time spent on illegal online gambling in a typical week, and/or expenditure on illegal gambling, for instance. There is a danger that the research gives the impression of four groups that are equally engaged in illegal gambling, whereas the reality is very different.

1.7 Evidence of rushed publication

Report 1 was published only two weeks after the Yield Sec report for the Campaign for Fairer Gambling discussed in Section 5 was made public. For several days after Report 1 was published, the Phase 1 and Phase 2 technical reports were unavailable on the GC website; clicking on the links to each report brought up a "404 not found" error message. This was not fixed until at least a week after the original publication of Report 1 on 18 September 2025.

Furthermore, Report 1, and the two technical reports published alongside it, have some presentational shortcomings compared with previous research from the Gambling Commission. The reports are primarily formatting for computer or tablet-based reading on a web browser. There is an option to "Print or Save" each report which opens a new tab with a printable PDF, but these are not well formatted for printing. Also, there are a number of typographical errors in the Phase 1 and Phase 2 reports. For example, the bottom row of Figure 1 in the Phase 1 report reads "I gamble using both licensed and unlicensed websites" when it should read "I only

gamble on unlicensed websites." Overall, the reports give the impression of having been published before they were properly copy edited, which is unfortunate. The overall impression is that the reports were rushed into publication as a response to the Yield Sec report.

2 Methodological issues with Report 2: Consumer engagement and trends in illegal online gambling

In Report 2, the Gambling Commission outlines its approach to measuring consumer engagement with and trends in illegal gambling[2]. The GC uses a data analytics approach, identifying search terms based on primary research into the factors that lead to consumers intentionally or unintentionally using illegal gambling websites. These search terms are used to obtain top search engine results for gambling websites. Any legal websites are then removed from the results; what remains is a list of illegal gambling websites.

This is a promising approach, but there are currently a number of weaknesses in the methodology used for measuring consumer engagement with illegal gambling. These are detailed below.

2.1 Omission of gambling engagement in app stores and social media

The GC's methodology does not measure consumer engagement with illegal gambling opportunities which occur within app stores for smartphones or tablets (for example Apple's App Store and the Google Play Store). Search activities on app stores are separate from the web search data that the GC uses. Likewise, the methodology does not measure the extent of promotion and facilitation of illegal gambling through social media apps such as WhatsApp and Telegram. This means that the GC data analysis is reliant on conventional web search results only when measuring trends in consumer engagement with illegal gambling, which gives an incomplete picture. Furthermore, to the extent that app-based illegal gambling and promotion and facilitation of illegal gambling on social media is increasing over time, the GC's measures of engagement will be increasingly partial as time goes on.

[2] The GC's report from the previous year, "Unlicensed gambling – Using data to identify unlicensed operators and estimate the scale of this market" has a more detailed description of the methodology (Gambling Commission, 2024).

2.2 Limitations of Similarweb data analysis

The GC analytical approach uses Similarweb, an AI-powered web intelligence platform, to estimate web traffic associated with the illegal gambling websites identified through the methodology outlined above. The analysis obtains estimates of the number of visits to these websites and the duration of these visits. However, estimates produced using this methodology are subject to a considerable margin of error: the GC states that "web traffic estimates are imprecise, so results need to be treated with caution" (GC 2025b, p7). This makes the results hard to interpret. For example Figure 3 on p8 (estimated visits to illegal websites) shows a point estimate of number of visits per month that fluctuates between 36 million visits in May 2024 and 16 million visits in July 2024, and again between 36 million visits in January 2025 and 17 million in May 2025. These are substantial variations and it is not clear whether the month-to-month differences reflect changes in real activity, or considerable amounts of noise in the data.

2.3 Customer use of VPNs to access illegal gambling sites

The approach taken to account for customers' use of Virtual Private Networks (VPNs) to access illegal gambling sites has significant limitations. Report 2 states that "Similarweb attempts to account for VPN use by attributing a visit to the country from which they detect an individual's first visit of the day. This will partially account for VPN traffic, but if an individual always has a VPN on or activates their VPN before accessing any websites, their traffic would not be attributed to the correct country" (GC 2025b, p10). Therefore, the estimates for VPN use by online gamblers in Annex C of Report 2 are likely to underestimate the true extent of VPN use (but it is impossible to know the extent of the underestimate using the current methodology).

2.4 GC awareness of limitations

To be fair, the GC is aware of the limitations outlined in this section: Report 2 states that "although this approach provides extensive coverage of illegal gambling websites, we recognise that there are other aspects of the illegal market that are not captured with this methodology, such as gambling activity directly through messaging platforms and app-based gambling". The GC is also aware of the limitations of the methodology for measuring customer use of VPNs and the

imprecise nature of the web traffic data from Similarweb. However, it is not evident from Reports 2, 3 and 4 that the GC has a clear plan to address the current limitations of its analysis of illegal online gambling and to improve the estimates.

3 Report 3: Disruption of illegal online gambling

Report 3 covers the GC's approach to reducing the incidence of illegal gambling through a number of approaches including disruption and enforcement activities. There are a number of potential weaknesses with the GC's current approach, which are discussed below.

3.1 Cease-and-Desist notices

Report 3 states that "when an unlicensed gambling website is identified, a Cease-and-Desist (C&D) notice is issued. The notice gives the operator 48 hours to implement geo-blocking or another method of preventing consumers in Great Britain from accessing the site. The 48-hour period was previously 14 days and has been significantly reduced which enables quicker disruption to take place" (GC 2025c, p2). While the reduction of the notice period for cease-and-desist from 14 days to 48 hours is welcome, it would be useful to know whether any work has been undertaken on what the added efficacy of the 48-hour notice period is in discouraging unlicensed gambling websites and whether a further reduction in the notice period – e.g. to 24 hours – would be worth pursuing.

3.2 Powers to open a criminal investigation and to prosecute relevant offences

Report 3 states that "the Gambling Commission works with partners to trace payments made on illegal sites during test purchasing exercises, the aim being to identify the person or organisation behind the illegal site. The Gambling Act 2005 gives the Gambling Commission powers to open a criminal investigation and to prosecute the relevant offences. However, our enforcement tactics are predominantly focused on disruption activity in most instances" (GC 2025c, p3).

It would be useful to know what the potential payoff to the GC is in terms of engaging in prosecution activity rather than disruption activity (i.e. a comparison of the relative effectiveness of criminal prosecution versus disruption activities).

3.3 New tactics and affiliates

The final section of Report 3 (pages 10-12) explains new tactics being adopted by the Illegal Markets Team – including new referral routes for platforms used to host unlicensed gambling content, international coordination and collaboration with regulatory partners (including calls to foreign regulators for action against sites illegally targeting the Great Britain market), use of coding to build bespoke tools which allow for automation of tasks, in depth data analysis and machine learning, payment blocking of unlicensed gambling websites via referral to Visa and other payment processors, and a focus on aggressive marketing tactics used by unlicensed sites.

Regarding marketing tactics in particular, it was surprising to see that there is no mention of affiliates in Report 3 or any of the other recent GC publications. Affiliates are online marketers (such as influencers on social media) who drive traffic to gambling companies by advertising and promoting them. Some affiliates promote illegal black market operators in addition to, or instead of, operators regulated in Great Britain. Statistics from Yield Sec suggest that in 2023 there were over 1,000 affiliates promoting illegal gambling and actively targeting the UK (Yield Sec, 2024). UK-based gambling companies are legally responsible for the conduct of their affiliates but this has not been enforced by the Gambling Commission thus far.

4 Report 4: Challenges of estimating the size of the illegal gambling market

Report 4 focuses on the challenges of estimating the size of the illegal gambling market. A number of challenges are identified, the main one being that whichever methodology is used to estimate the size of the illegal gambling market, multiple assumptions are required to convert estimates of engagement into estimates of expenditure. For example:

- Using a **"dwell-time"** approach, which converts data on engagement and 'time-spent-on-site' into expenditure estimates requires assumptions around levels of expenditure between legal and illegal gambling and the proportion of visit time to a website which is actively spent gambling.
- A **"channelisation"** approach makes a comparison between data on legal and illegal 'channels' of engagement with gambling. This is the approach taken in GC Report 2 (Gambling Commission 2025b) . By using similar approaches to obtain estimates of engagement with illegal and legal websites, the two estimates can then be compared with each other – enabling (for example) an estimate of Gross Gambling Yield associated with illegal gambling activity that is comparable to the GGY estimate for legal gambling activity. However, this approach also requires multiple assumptions which introduce significant margins for error.

The GC concludes that "having examined different methodologies, we are not yet in a position to make a robust and reliable estimate of the size of the market". While this is understandable to some extent given the methodological challenges, I would argue that it would have been better to provide an estimate, or a range of estimates (with upper and lower bounds) for the size of the illegal gambling market as part of Report 4 – even if the estimates were imprecise and subject to future revisions as the GC's methodology evolves.

The failure to provide any estimate of the size of the illegal online gambling market in Great Britain leaves an empirical vacuum – which plenty of other researchers and lobbyists are happy to fill. In the last 18 months alone, there have been at least three attempts to estimate of the size of the illegal market:

1. Frontier Economics – *The Size and Economic Costs of Black Market Gambling in the UK* (Frontier Economics, 2024)
2. Deal Me Out – *Black Market Evaluation Report* (Deal Me Out, 2025)
3. Yield Sec – *Great Britain 2024 FY / 2025 first half: Online gambling marketplace* (Campaign for Fairer Gambling, 2025).

All three of these reports use different methodologies and reach different conclusions on the size of the market[3]. In the absence of any authoritative estimate from the GC of the size of the illegal online market, commentators are inevitably going to look to other research evidence – some of which is of poor or uncertain quality[4] – to fill the gap. The GC does say "we urge caution over any estimates presented by third parties or commentators which don't have a transparent methodology, or which do not show how the challenges in this report have been considered, or that provide precise 'point estimates' without clarity of the associated margins for error and caveats". However, readers who require a headline estimate of the size of the illegal market are likely to ignore this warning and head for other publications (such as those listed above) who are happy to offer their own estimates.

5 Failure to include questions on illegal gambling in the Gambling Survey for Great Britain

The GC is relatively dismissive of a survey data as a tool for estimating the size of the illegal gambling market because consumers' recall of gambling expenditure is unreliable. For this reason, the GC does not include questions about expenditure on gambling in the Gambling Survey for Great Britain (GSGB). However, as explained in Section 1.2 above, Report 1 used a quantitative survey from Yonder Consulting to characterise illegal online gamblers into four groups – "self-excluders", "skilled advocates", "social explorers" and "accidental tourists". The quantitative survey contained a lot of information regarding various aspects of gambling behaviour that were linked to illegal gambling, referred to in the Phase 1 technical report accompanying the main Report 1 as "consumer pathways into using illegal gambling websites". These included:

- Using a gambling website where the gambler did not need to provide ID or age verification upon sign-up
- Trying to access a gambling website they had used previously, but finding that it had been taken down
- Using a VPN to access gambling websites
- Paying to gamble using a credit card (illegal in Great Britain)

[3] Footnote reference to Landman Economics work would be good here.
[4] For example, previous work by Landman Economics found severe flaws in the Deal Me Out research, and some issues with the Frontier Economics research. See Landman Economics, *Commentary on Frontier Economics Report* The Size and Economic Costs of Black Market Gambling in the UK (https://www.fairergambling.com/wp-content/uploads/2025/09/Frontier-Economics-Landman.pdf) and *A Commentary on Deal Me Out's* Black Market Evaluation Report (https://www.fairergambling.com/wp-content/uploads/2025/09/Landman-Deal-Me-Out.pdf).

- Gambling on a foreign website and/or one where they had to change the default currency or language
- Paying to gamble using foreign currency
- Paying to gamble using cryptocurrency
- Paying to gamble using non-fungible tokens (NFTs).

In the Phase 1 technical report the GC states that the quantitative evidence from the report "will ultimately inform the development of questions for the GSGB, providing data to enable the Commission to track the prevalence of consumer engagement with the illegal market over time". Once a set of questions on illegal gambling – or activities associated with illegal gambling is introduced into the GSGB it should be possible to use the survey responses to provide at least a rough estimate of the size of the illegal market and (most importantly) how it is changing over time.

6 Conclusion

In 2025 the Gambling Commission has published an impressive and wide-ranging series of reports on various aspects of the illegal online gambling market. As a whole, the reports are an important and welcome contribution to the debate over the size and growth rate of the illegal gambling market accessed from Great Britain. However, the GC's contribution would have been greater still if it had addressed the issues discussed in this report. In particular, there are several issues with Report 1 and the Phase 1 and Phase 2 technical reports for Report 1 including the exclusion of a key illegal gambler group (children aged under 18) from the analysis, potential sample size and representativeness issues with Yonder Consulting's quantitative and qualitative analysis, a lack of clarity in how the four-way classification of illegal gamblers was chosen, potential overlap between the four categories of illegal gambler, and a failure to consider the relative harms arising illegal gambling across each of the four groups.

Report 2 suffers from methodological issues with the techniques the GC uses to measure consumer engagement with online gambling, while Report 3 shows potential weaknesses in the GC's current disruption and enforcement activities. With regards to Report 4, the GC fails to provide a point estimate or upper or lower bounds for the size of the illegal online gambling market. Finally, the lack of any questions on illegal gambling in the Gambling Survey of Great Britain (at least thus far) is an unfortunate omission. All of these problems serve to lessen the impact and credibility of the GC's research on illegal online gambling relative to what it could have been, had all of these points been addressed.

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