

Gambling Reform APPG Evidence Session: **The Black Market**

Date: 8th July 2026

Time: 10:30am - 12:00pm

Location: Room M, Portcullis House

Chair: Sir Iain Duncan Smith MP

Minutes: Lewis Klein, DGA Group

Members Present:

- Sir Iain Duncan Smith MP (Chair)
- Alex Ballinger MP (Co-Chair)
- Lord Foster of Bath (Vice-Chair)
- Dr Beccy Cooper MP (Vice-Chair)
- Chris Evans MP

External Guests:

- Dr Philip Newall, University of Bristol
- Ismail Vali, Gaming Compliance International
- Derek Webb, Campaign for Fairer Gambling
- Professor Heather Wardle, University of Glasgow
- Professor Howard Reed, Landman Economics / Northumbria University
- Maxence Peigné, Investigate Europe
- Rob Davies, The Guardian
- Matt Zarb-Cousin, Gamban / Clean Up Gambling
- Will Prochaska, Coalition to End Gambling Ads (CEGA)

Sir Iain Duncan Smith MP welcomed members, witnesses, and observers to the session. He explained that the purpose of the evidence session was to examine the growth of the illicit gambling market, the routes through which consumers accessed unlicensed operators, and the effectiveness of current enforcement arrangements. He noted that while the illicit market posed genuine risks to consumers, the APPG wished to examine the available evidence independently of claims that stronger regulation of the licensed sector would inevitably increase black market activity.

Witnesses presented evidence suggesting that the illicit online gambling market has grown in recent years, although they stressed that estimates of its size vary considerably. Several speakers cautioned against relying on industry-funded research which they argued often overstated the scale of the black market, while highlighting independent estimates that suggested unlicensed operators account for a relatively small proportion of the overall gambling market. There was agreement that the scale of the black market should not be overstated, particularly in light of attempts by parts of the gambling industry to use estimates of its size to argue against stronger regulation.

Speakers agreed that individuals registered with GamStop, alongside children and those seeking cryptocurrency gambling products, represented the principal audiences targeted by illegal

operators. Evidence suggested that consumers were commonly directed towards unlicensed websites through search engines, social media advertising, affiliate marketing, and other online intermediaries. Witnesses also highlighted examples of payment providers, software suppliers and offshore licensing arrangements facilitating illegal gambling activity.

Discussion focused on the relationship between regulation and the illicit market. While witnesses acknowledged that criminal operators sought to exploit regulatory measures there was broad agreement that stronger consumer protections within the licensed sector would not necessarily result in significant migration to illegal operators. Research presented during the session indicated that only a small proportion of customers would choose unlicensed gambling if restrictions within the regulated market increased.

Witnesses repeatedly argued that enforcement, rather than reregulation, should be the primary policy response. They called for greater action against illegal operators and the wider ecosystem enabling them, including payment processors, affiliates, technology platforms, and software suppliers. Several speakers also argued that online platforms should take stronger action to prevent advertising for unlicensed gambling websites and better protect individuals who have self-excluded through GamStop.

***At this stage, the discussion was opened to the floor.
Key themes that emerged from the discussion are as follows:***

- Witnesses agreed that the illicit gambling market represents a genuine consumer protection issue but should not be used to justify weakening regulation of the licensed sector.
- Self-excluded individuals, children, and cryptocurrency users were identified as the principal groups targeted by illegal operators.
- Online advertising, search engines, affiliate networks and payment providers were repeatedly identified as key facilitators of illegal gambling.
- Speakers argued that current enforcement activity by regulators and government remained insufficient and called for greater coordination between regulators, technology companies, financial institutions, and law enforcement.
- Several witnesses highlighted the need for stronger action against licensed businesses that knowingly or inadvertently support illegal gambling operations.
- There was broad support for improving consumer awareness of licensed and unlicensed operators and strengthening protections for individuals using self-exclusion tools, such as GamStop.

Sir Iain Duncan Smith MP thanked witnesses for their evidence and invited any further written submissions to be sent to the Secretariat to inform the APPG's ongoing inquiry. He concluded by noting that the session had reinforced the importance of stronger enforcement against illegal operators alongside continued work to reduce gambling-related harm within the licensed market.

SESSION CONCLUDES