

BETTER
CHANGE

CONSUMER PANEL FOCUS GROUP 1

Unregulated Gambling:
Consumer Awareness,
Experiences and Drivers

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STRATEGIC
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Better Change Consumer Panel

Unregulated Gambling: Consumer Awareness, Experiences and Drivers

Findings from Six Consumer Focus Groups

Participants: 22 gambling consumers

Format: Online, moderated discussions

1. Executive Summary

Better Change conducted six online discussion sessions involving 22 people who gamble. The sessions explored consumers' awareness and understanding of unregulated gambling, what might encourage someone to use an unregulated operator, and whether changes within the regulated market could affect that decision.

The research was qualitative. It was designed to explore experiences, reasoning and differences of opinion, rather than measure the prevalence of particular views across the wider gambling population.

Overall, participants strongly preferred gambling with operators they recognised and trusted. Regulated operators were associated with secure payments, reliable withdrawals, established brands, safer gambling controls and access to complaints or redress. Unregulated operators were commonly associated with non-payment, fraud, criminality, weak customer protection and uncertainty over who was responsible when something went wrong.

However, the discussions also revealed a more complex picture. Participants recognised that an unregulated operator could potentially provide:

- Better odds or bonuses
- Fewer financial checks
- Higher permitted stakes
- Additional products or features
- Cryptocurrency payments
- Greater privacy or anonymity
- Access for people excluded from regulated gambling

Participants did not generally describe themselves as actively seeking unregulated gambling. Instead, they considered it an alternative that might become more attractive if a person was excluded, restricted or dissatisfied with the regulated market.

The clearest theme was therefore one of **push and pull**. Better odds, bonuses and unrestricted products may pull some consumers towards unregulated operators, but intrusive checks and self-exclusion may push others away from regulated gambling.

Financial risk checks generated some of the strongest reactions. Participants generally accepted the need for identity verification, anti-money laundering controls and proportionate measures to protect people experiencing harm. However, requests for bank statements, detailed financial information and repeated explanations of personal transactions were frequently described as intrusive.

A minority provided an important counterpoint. They believed that a well-timed intervention could prompt someone to reflect on their gambling or could provide useful protection during a period of increased risk. This suggests the debate is not simply between consumers who support or oppose checks. Participants' acceptance depended heavily on whether the intervention appeared:

- Proportionate to their gambling
- Relevant to the risks displayed
- Clearly explained
- Consistently applied
- Respectful of privacy
- Genuinely intended to protect them

"I'm a grown adult. I know where to spend my money."

"I don't mind giving ID, but I don't want to give financial details."

"It can cause frustration at times, but for me it's a good thing."

Together, these statements illustrate the central tension within the discussions: consumers accepted that protection was necessary, but wanted it to be targeted, proportionate and respectful.

2. Research Approach

Participants were encouraged to begin with their own understanding and experiences before more specific issues were introduced. The discussions covered:

- Awareness of unregulated gambling
- Recognition of terms such as "black market" and "not on GamStop"
- Perceived differences between regulated and unregulated operators
- Reasons someone might use an unregulated operator
- Barriers preventing participants from doing so
- Financial risk checks and account restrictions
- Stake limits and changes to gambling products
- Taxation and its possible impact on consumers
- Perceptions of policymakers and regulation

The sample included a range of gambling experiences:

- Recreational sports bettors
- Horse-racing bettors
- Casino, slots and bingo customers
- Occasional and regular gamblers
- Customers using one or two established brands
- Customers holding accounts with several operators

- Participants with experience of account restrictions
- Participants with professional knowledge of gambling or compliance
- A participant with experience of periods of greater gambling risk

Some participants had considerably more industry knowledge than others. Their comments have been included where they describe their experience as consumers, but professional opinions should not automatically be treated as representative of the wider public.

The findings should therefore be viewed as **directional consumer insight**, not as statistically representative evidence.

3. Awareness and Understanding of Unregulated Gambling

Main findings

Participants associated unregulated gambling with:

- Offshore websites
- Operators without a British licence
- “Not on GamStop” casinos
- Cryptocurrency gambling
- Informal bookmakers or betting in pubs
- Criminal activity, match-fixing or money laundering
- Websites offering gambling without meaningful checks

Awareness varied according to participants’ gambling habits, age and professional experience. Some understood the distinction between an operator being licensed elsewhere and being licensed to transact with customers in Great Britain. Others used “illegal”, “black market” and “unregulated” interchangeably.

The older participants were more likely to begin with traditional images of unregulated gambling, such as a bookmaker operating in the back of a pub. Younger and more digitally experienced participants were more likely to think of offshore websites, cryptocurrency, affiliates and operators accessible through a VPN.

“Backstreet.”

“I think foreign.”

“No oversight from any government or any agency.”

This shows that “unregulated gambling” is not one clearly understood category for consumers. It encompasses everything from informal cash bets to sophisticated international websites.

Difficulty identifying regulated operators

Several participants believed that the difference between a regulated and unregulated website might not be immediately apparent. One participant explained that, before becoming more familiar

with the sector, they would not have known which sites were regulated because unregulated websites can imitate the appearance of established operators.

Another described trusted brand recognition as a form of protection. Rather than checking a licence, they searched directly for the name of a familiar operator. A different participant noted that searching for “Grand National free bet offers” could introduce unfamiliar brands without the consumer necessarily considering whether they were licensed.

“They’re so sophisticated, it’s hard to tell what’s regulated and what’s not.”

“I see it on TV, I think of it as a safe place to bet because it’s a well-known brand.”

“I wouldn’t have known which one was a regulated site and which was a black-market site at all.”

This suggests that consumers often use **brand familiarity, reputation and prior experience** as proxies for regulation. Formal licensing details may be important, but they are not necessarily the first signals consumers use.

4. Attitudes Towards Unregulated Gambling

Main findings

Participants generally associated unregulated gambling with:

- Increased risk of non-payment
- Limited or no complaints process
- Weak data security
- Greater exposure to fraud
- A lack of safer gambling controls
- Uncertainty over game fairness
- Possible links to criminal activity

The inability to recover money or resolve a dispute was one of the clearest deterrents. Participants who had never used an unregulated site still understood the practical risk: if winnings were not paid, there might be no meaningful authority to contact.

“If they didn’t want to pay you, they wouldn’t have to.”

“If something goes wrong, who do you complain to?”

“What chance have you got to get your money back?”

One participant described losing money when a gambling company ceased trading before stronger arrangements for protecting customer funds were introduced. Although this was not presented as an unregulated-site experience, it shaped the participant’s preference for recognised and regulated operators.

Why unregulated sites can appear attractive

Participants nevertheless challenged a simple assumption that regulated sites always provide a better customer experience. Some expected unregulated operators to offer:

- Faster registration
- Fewer verification stages
- Larger bonuses
- Better odds
- Fewer product restrictions
- Greater privacy
- A wider choice of payment methods

One participant captured the tension particularly clearly:

“The regulated ones have so much tightness in it that the experience might actually be better on a black-market site.”

This was not an endorsement of unregulated gambling. It was a concern that a smoother or more generous experience could disguise the loss of consumer protections.

5. What May Drive Consumers Towards Unregulated Gambling

Participants identified several routes into unregulated gambling. These ranged from deliberate decisions to accidental exposure.

Push factors from the regulated market

The principal push factors were:

- Financial risk and source-of-funds checks
- Stake restrictions
- Exclusion from promotions
- Inability to place desired bets
- Self-exclusion from regulated operators
- Frustration with repeated customer interactions
- Concern about sharing personal financial information

Not every participant believed they would move to an unregulated operator. Some said they would return to a betting shop or stop gambling instead. This is an important qualification. Regulatory friction does not produce one uniform response. It may lead to:

- Reduced gambling
- Switching regulated operators
- Moving from online to retail gambling
- Abandoning a particular product
- Seeking an unregulated alternative

Pull factors from unregulated operators

Participants identified the following potential attractions:

- Better odds
- Larger bonuses
- Higher stakes
- Features unavailable in Britain
- Fewer affordability or source-of-funds checks
- Cryptocurrency
- Privacy
- Faster onboarding
- Additional betting markets
- Recommendations from friends
- Curiosity

“Better odds and better returns, that kind of stuff.”

“I probably don’t care whether it’s regulated. I just want to have a good time.”

“Sometimes it’s pure curiosity.”

Better odds were more important to experienced sports bettors, particularly where relatively small price differences could matter across larger stakes. Bonuses appeared more relevant to occasional or offer-led customers. Privacy and fewer checks were most prominent among participants concerned about their financial information.

Accidental or indirect routes

Participants also recognised that not all use would be deliberate. Possible routes included:

- Searching for gambling offers
- Clicking digital advertising
- Following an influencer or streamer
- Receiving a recommendation from a friend
- Using a familiar operator while abroad
- Encountering a site designed to resemble a regulated operator
- Continuing to use a site familiar from another country

This suggests consumer education should not assume that everyone using an unregulated operator has made a conscious decision to reject British regulation.

6. Financial Risk Checks and Consumer Privacy

Why this became the strongest theme

Financial risk checks produced the longest and most strongly expressed discussions, particularly in Focus Group 3. Participants often introduced the issue before the moderator reached the relevant section, indicating that it was already prominent in their experience or concerns.

In Focus Group 3, one participant stated at an early stage:

“I wouldn’t want to give them my bank details, not in a million years. I would stop gambling with that company if they asked me for it.”

The participant did not object to providing proof of identity but drew a firm distinction between identity verification and access to private financial information:

“I don’t mind giving ID, but I don’t want to give financial details. I don’t think that’s something that needs to be shared with anybody else except myself and my bank.”

Another participant compared gambling with other forms of consumer spending:

“Amazon don’t ask me for my bank accounts. Sainsbury’s don’t ask me for my bank accounts.”

This comparison with shopping, alcohol and other leisure spending appeared in several sessions. It demonstrates how participants formed their opinions. They were not necessarily evaluating financial checks against alternative gambling policies. They were comparing how gambling consumers are treated with how adults are treated in other parts of their lives.

What participants accepted

There was broad acceptance of:

- Age and identity verification
- Checks intended to prevent fraud
- Anti-money laundering controls
- Deposit limits that customers could set themselves
- Interactions responding to clear indicators of increased risk
- Proportionate interventions intended to prompt reflection

One participant believed that being contacted after an unusually high level of spending could provide a valuable reality check:

“If I got an email saying that I need an affordability check, that probably would make me go, ‘Oh my God, I need to stop.’”

The same participant explained that the impact depended on the threshold:

“If they’d done that when I spent a fiver... I would feel like it’s Big Brother watching me.”

This demonstrates that consumers may experience the same intervention as both protective and judgemental. Its perceived legitimacy depends on the circumstances.

What participants found intrusive

The greatest resistance related to:

- Requests for bank statements
- Questions about individual payments
- Repeated requests for additional accounts or documents

- Unclear thresholds
- Data retention
- Checks applied to relatively modest gambling
- Lack of explanation about why a check had been triggered

One participant with direct experience explained:

“You send something that you’re comfortable providing, and then they come back and need six months more of a different bank account or PayPal statements.”

They described eventually abandoning operators rather than continuing with the process:

“I’ll just go elsewhere because why go through all of that hassle?”

Another participant described the cumulative effect:

“Sometimes you’re on the phone to these guys giving away too much information. It does feel a little bit overkill, but I probably understand why.”

Overall conclusion on financial checks

The panel did not reach a simple consensus for or against financial risk checks. Instead, the evidence suggests four broad positions:

1. **Strong objection based on privacy and personal autonomy**
2. **Reluctant acceptance of checks because of their protective intent**
3. **Conditional support when interventions are proportionate**
4. **Positive acceptance where the intervention prompts useful reflection**

The strongest shared message was:

Consumer acceptance depends less on whether checks exist and more on how proportionately, transparently and respectfully they are applied.

7. Communication and customer treatment

Some experienced sports and horse-racing bettors had experienced stake limits or exclusion from promotions. Views differed on this: some accepted that operators should not be compelled to take consistently unprofitable business, while others saw managing liabilities as part of bookmaking. There was broader agreement that operators should explain their decisions more clearly.

"It's just frustrating when they don't even bother to tell you."

8. Stake Limits and Product Restrictions

Main findings

Participants were generally more accepting of stake limits than financial risk checks, particularly for online slots and gaming machines.

Reasons for support included:

- The speed at which high stakes could generate significant losses
- The continuous nature of slot play
- Concern about younger consumers
- Recognition that limits could slow expenditure

“£5 a spin can go very quickly.”

However, participants questioned whether limits necessarily reduce total expenditure. Some believed customers might:

- Play for longer
- Deposit more frequently
- Switch products
- Move to another operator
- Seek sites offering higher stakes

One participant with analytical experience said the initial effect they observed was longer play rather than customers disappearing:

“People weren’t disappearing... they were spending more time on site.”

Participants therefore differentiated between reducing the maximum amount placed in one action and reducing total gambling expenditure. They did not assume these were the same outcome.

9. GamStop and “Not on GamStop” Marketing

“Not on GamStop” created different reactions depending on prior knowledge.

Some recognised it immediately as marketing aimed at people who could not access regulated websites. Others had not encountered the phrase or initially interpreted it as a warning.

“I thought, ‘Oh, that’s good, letting people know it’s not on GamStop.’”

After the phrase was explained, participants understood why it could appeal to someone who had self-excluded but still wanted to gamble.

Several expressed concern that self-exclusion removes access to regulated operators without necessarily addressing the underlying reason someone continues to seek gambling.

“Removing yourself from the regulated market does not therefore remove your addiction.”

This was one of the strongest concerns about unregulated gambling. Participants feared that some of the people most likely to find “not on GamStop” sites attractive could also be among those most in need of effective safeguards.

10. Trust and the Competitive Strength of Regulation

Trust remained the most important barrier to using unregulated gambling.

Participants valued regulated operators because they expected:

- Their money to be secure
- Winnings to be paid
- Games to operate fairly
- Personal data to be better protected
- Complaints to be investigated
- Safer gambling controls to be available

Brand recognition played a major role. Customers who used established operators often did not search widely for alternatives, limiting their exposure to unfamiliar brands.

“I only gamble on two sites.”

“The strength of the brand is part of the protection.”

However, trust could be damaged within the regulated market through:

- Repeated document requests
- Inconsistent checks
- Poor communication
- Concerns about how financial data would be stored

The research therefore indicates that trust is reinforced through the customer experience. It must be reinforced through the customer experience.

11. Taxation and Its Perceived Consumer Impact

Awareness of recent and proposed tax changes varied. Some participants knew about them through work, racing media or general news. Others had little or no prior awareness.

Once the issue was explained, concerns focused less on the tax itself and more on how operators might respond.

Participants anticipated:

- Reduced promotions and bonuses
- Worse odds
- Lower return-to-player rates
- Fewer betting shops or venues
- Job losses
- Reduced investment
- Withdrawal of lower-margin products

“It will have an impact on the punter because there’ll be fewer bonuses available.”

“If you tax these operators too much, then suddenly your bet is 8/1 there, not 6/1 here.”

Some concluded that reducing value in the regulated market could improve the relative attractiveness of unregulated operators. Others considered taxation too remote from their own decisions to affect their behaviour directly.

Taxation should therefore be understood as a **potential indirect driver**. Consumers may not move because they object to tax policy, but they may respond to changes in price, value, availability or customer experience.

12. Perceptions of Regulation and Policymakers

Participants generally supported a regulated gambling market but questioned whether policymakers sufficiently understood ordinary gambling behaviour.

Recurring views included:

- Recreational gambling is underrepresented in public debate
- Gambling is treated differently from other leisure activities
- Policy focuses heavily on harm and less on enjoyment
- Unintended consequences are not adequately considered
- Changes are introduced without visible evaluation
- Gambling is a politically convenient target

“It’s assumed that everyone has an issue who gambles.”

“I think they assume that everybody is addicted.”

“It’s an easy industry to go after.”

Participants did not generally distinguish clearly between political parties. Criticism was more often directed at “government”, “politicians” or “regulators” collectively. This supports the decision not to interpret comments as evidence of party-political allegiance.

13. Consolidated Findings

Finding 1: Consumers prefer regulated gambling

Participants generally wanted to remain with trusted, recognised and regulated operators because of:

- Payment security
- Reliable withdrawals
- Customer protection
- Familiarity
- Complaints and redress
- Safer gambling controls

Finding 2: Trust is the regulated market’s strongest advantage

Unregulated operators may offer greater flexibility or value, but many participants believed the risk of non-payment or fraud outweighed those advantages.

Finding 3: Migration is driven by both push and pull factors

Consumers may be pulled by:

- Better odds
- Better bonuses
- Higher stakes
- Product choice
- Cryptocurrency
- Privacy

They may be pushed by:

- Financial checks
- Self-exclusion
- Poor communication
- Product restrictions
- Dissatisfaction with regulated operators

Finding 4: Financial risk checks are accepted in principle but contested in practice

Participants tended to support the objective but disagreed strongly with checks that appeared:

- Disproportionate
- Intrusive
- Repetitive
- Poorly explained
- Applied at low levels of expenditure

Finding 5: There is no single consumer response to regulatory friction

Consumers may:

- Gamble less
- Stop gambling
- Change regulated operator
- Move to retail gambling
- Move to unregulated gambling

This finding cautions against assuming that every restriction either prevents gambling or causes black-market migration.

Finding 6: Unregulated gambling is not always a deliberate choice

Consumers may arrive through:

- Search results
- Advertising
- Social media
- Friends
- Influencers
- Familiar foreign-language sites
- Websites imitating regulated operators

Finding 7: The most vulnerable may face the greatest unregulated risk

People who have self-excluded or been removed from regulated gambling may continue to experience strong motivation to gamble. “Not on GamStop” marketing may offer a direct route around protections.

Finding 8: Consumers want greater evaluation of interventions

Participants questioned whether the impact of stake limits, financial checks and other restrictions was being sufficiently evaluated before further measures were introduced.

14. Key Consumer Messages

The following statements best represent the overall findings:

“The fact they’re so sophisticated, it’s hard to tell what’s regulated and what’s not.”

“If something goes wrong, who do you complain to?”

“I don’t mind giving ID, but I don’t want to give financial details.”

“It can cause frustration at times, but for me it’s a good thing.”

“It has to be proportionate.”

“I’ll just go elsewhere because why go through all of that hassle?”

“Removing yourself from the regulated market does not therefore remove your addiction.”

“The tighter they get, the more they’re going to force people where they have no idea what they’re doing.”

15. Overall Conclusion

The panel did not reject regulation. Participants generally valued the security and protection that regulation provides and preferred recognised, licensed operators to unfamiliar alternatives.

Their concern was that regulation can become less effective if it treats all customers as presenting the same level of risk. Participants wanted protection to be based on meaningful indicators, applied proportionately and supported by clear explanations.

The research also challenges a binary view in which regulation prevents gambling and unregulated operators simply attract consumers through aggressive offers. Participants described a more complex process. Some people may reduce or stop gambling when they encounter restrictions. Others may move between licensed operators, return to cash-based gambling or seek an unregulated alternative.

The strongest overall message is:

Consumers want a regulated market that protects people from harm without making ordinary customers feel mistrusted, unnecessarily restricted or pushed elsewhere.