

Report on illegal gambling 2022



One of the DGA's tasks is to monitor the illegal gambling market in Denmark. Thereby we protect players and ensure a well-regulated gambling market for the operators with a licence to offer gambling products in Denmark.

This report describes the Danish Gambling Authority's work on illegal gambling in 2022.

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Introduction

One of the DGA's tasks is to monitor the illegal gambling market in Denmark and thereby protect players and ensure a well-regulated gambling market for the operators with a licence to offer gambling products in Denmark.

Once a year, the DGA releases a report on the authority's work on preventing illegal gambling. We especially focus on operators of online gambling who target Denmark with their gambling offers without a licence.

In the first section of the report, the rules in the area are reviewed. This provides an important basis for understanding the tasks that the DGA have performed in relation to illegal gambling in 2022.

Summary

The last 10 years, the Danish Gambling Authority has conducted searches for websites and processed reports from citizens and others regarding offers from and mediation of gambling operators without a licence.

The Danish Gambling Authority have seen that there are consistently more websites who illegally mediate gambling sites than websites who target the Danish market without a licence. From annex 1, an increase in the number of websites identified, requests and internet blockings may indicate that the illegal market is expanding. However, the Danish Gambling Authority maintain our assessment that the illegal gambling market in Denmark is limited and the increase rather expresses the Danish Gambling Authority's increased focus on illegal gambling.

Data published by H2 Gambling Capital (annex 2) supports the assessment that the illegal gambling market in Denmark is limited. According to H2 Gambling Capital, Denmark has a high channelisation rate. The channelisation rate is an expression of the share of the regulated market.

The Danish Gambling Authority also work with other types of illegal gambling such as skin Betting, the blurred lines between gambling and video gaming as well as awareness raising about illegal gambling.

Background on illegal gambling

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1.1 When is a game illegal?

A game is offered illegally if:

- The game is offered without a licence from the Danish Gambling Authority, and
- The gambling operator target Danish players with the gambling offers

1.2 Which games require a licence?

The Danish Gambling Authority monitors the Danish gambling market to ensure that gambling products are not offered in breach of the rules of the Gambling Act. It requires a licence from the Danish Gambling Authority to offer gambling products in Denmark if:

- The participant must pay a stake (money or similar of a monetary value),
- The participant has a chance of winning via the stake (all types of prizes of a monetary value), and
- The game has an element of chance

1.3 When is a game aimed at Denmark?

An offer may be aimed at Denmark if one or more of the following elements are present on the website:

- Danish language
- Danish currency
- Debit cards that only work in Denmark are an option
- Danish customer service
- The video game platform Steam as login
- The website has pre-filled Denmark, Danish etc. in the registration process
- Gambling offers that are directly aimed at the Danish market due to their composition.

Although none of the above conditions are met, direct marketing to Danish players is also considered aimed at the Danish market.

Regarding skin betting, in February 2018, the court ruled that websites that use The video game platform Steam as login is considered aiming their gambling activities at Denmark. The ruling is available on [Spillemyndigheden.dk](https://spillemyndigheden.dk).

1.4 Mediation of and promotion of gambling products without a licence

It is against the Gambling Act to mediate or promote gambling operators without a licence. In such cases we consider whether the mediation or advertisement targets the Danish market.

Mediation is all activities with the purpose of establishing games or offering participation in illegal gambling regardless of whether they are offered digitally or in another way. For example, links to websites of gambling operators who do not have a licence to offer gambling under the Gambling Act.

1.5 The Danish Gambling Authority's sanction options

When the Danish Gambling Authority become aware of a website with illegal gambling or illegal mediation, we send a request to the owners of the website. In the request, we make them aware of the breach and order them to stop the illegal offer of gambling activities or illegal mediation to gambling sites.

In many cases, the dialogue based on the request is sufficient to end the breach.

In cases where the breach is not ended, we do not hear from the owners, or we cannot find the owners, we may have the website blocked at the Danish internet service providers via the district court.

In addition, we can report the owners behind the website to the police, after which the responsibility for the further process is passed to the police.

The Danish Gambling Authority's work with il- legal gambling in 2022

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2.1 Searches for potentially illegal websites

In 2022, the Danish Gambling Authority carried out six searches of potentially illegal gambling websites in cooperation with the Danish Tax Agency's Anti-fraud unit. In addition, we tested a private supplier for searches of websites with illegal gambling. However, we assessed that the private supplier could not deliver better results than the Danish Tax Agency's Anti-fraud unit, and consequently we terminated the cooperation.

Like previous years, the Danish Gambling Authority had several illegal gambling websites blocked. In 2022, 82 websites with illegal gambling were blocked. It is the highest number ever.

For the first time, the ruling was given on the sole basis of written submissions and thereby without a main hearing in the district court.

A new case of blockings is expected in the beginning of 2023 and yet another in the third quarter of 2023.

A review of the number of websites identified, requests, reports and blockings over the years is available in annex 1.

2.2 The effect of blockings

In 2022, the Danish Gambling Authority tried to examine the effect of our blockings by using data traffic from Semrush.

In total, the Danish Gambling Authority has blocked 227 websites since 2012 who offered gambling illegally. It is hard to measure the effect of the blockings on the 82 websites that were blocked in 2022, because at the time of the measurement, the websites had only been blocked for a few months. This is why we limited our study to only look at the 145 sites that were blocked before 2022.

When we examine the development of web traffic on the blocked websites over the years, the effect of the blockings is clear. In 2017, only a few of the 145 websites were blocked which resulted in a total of over 19 million views on the websites. In comparison, the number of views on the same websites in 2022 had fallen to 1.5 million after they had been blocked. The Danish Gambling Authority considers it a great success that there are 13 times fewer views on the websites in 2022 than before the blockings in 2017.

When we look at the traffic on the individual websites, some websites do not show any decrease in the number of views after the blockings according to our data source Semrush. However, the overall picture shows a significant fall in the number of views on the websites and on most of the websites, the blockings have a big effect.

2.3 Reports for mediation of illegal gambling

In late summer 2022, the Danish Gambling Authority reported 27 websites to the police for mediating illegal gambling. All websites target the Danish market and mediate access to websites that offer gambling products without a Danish licence. The 27 websites also have another common denominator in addition to the mediation of illegal gambling. Common to all the domains is that they all instruct players on how to gamble even though they are

registered with ROFUS (register of self-excluded players), for example by writing “How to get around ROFUS” and mediating sites where NemID (digital ID) is not integrated in the registration process, for example, “Gamble without NemID”.

It is a clear breach of the purpose of the Gambling Act, which is, among other things, to protect young people and other vulnerable persons from developing a gambling addiction and ensure that gambling is offered in a fair, responsible, and transparent manner. Therefore, the gambling legislation requires a register that allows players to self-exclude from gambling and requires that online players can be identified.

The mediation websites address players who want to gamble without verifying themselves by use of a unique ID, for example, players who have registered with ROFUS and minors. Consequently, it must be assumed that the websites especially address persons with gambling problems and minors. To uphold the protection of the Gambling Act, it was a high priority to report the 27 illegal mediation websites. When the websites thereby address the citizens who the Danish Gambling Authority tries to protect the most, it is important to the Danish Gambling Authority to report the 27 illegal mediation websites to uphold the gambling legislation's protection objectives.

2.4 Cooperation with Facebook and Google

The Danish Gambling Authority combats illegal gambling and illegal mediation in many ways. As part of the Danish Gambling Authority's inspection, we have observed a rise in illegal gambling events and illegal mediation in Facebook groups. Additionally, we have found search results and advertisements on Google with content related to illegal gambling.

Thus, the Danish Gambling Authority has a cooperation with Facebook which gives us a special access to reporting illegal gambling to Facebook. After this, they can delete a group, remove a post or similar if the content is illegal gambling activities.

We are currently working on establishing a similar cooperation with Google to gain access to reporting illegal gambling to Google, who then can remove the illegal content.

Before illegal gambling content is removed from Facebook or Google, the Danish Gambling Authority has contributed with securing evidence, reference to the legal basis and our assessment of the illegal content, so the two media can remove the content on an informed and documented basis.

The Danish Gambling Authority are currently working on establishing more cooperations with other media where we find illegal gambling or illegal mediation of gambling.

If citizens should want to help the Danish Gambling Authority in our inspection, we encourage people to document the gambling content by means of pictures or video and links to websites, Facebook groups or other relevant sites.

2.5 International cooperation

The Danish Gambling Authority values the cooperation with our colleagues abroad. Among other things, in 2022, we participated in a newly established group Enforcement in GREF (Gaming Regulators European Forum). The group works on how to best help each other combatting illegal gambling and have started preparing overviews of the various countries' work with combatting illegal gambling, and the countries' expertises. It makes it easier to reach out to the right authorities for professional discussions of specific areas.

2.6 Lotteries and other games at pubs

In 2022, the Danish Gambling Authority were able to resume the on-site inspections at restaurants and pubs when the Covid-19 restrictions ended. In 2022, we completed 80 inspections, and five of the inspections resulted in a report to the police because illegal gambling, including lotteries, were offered.

Special rules apply to lotteries, because there is a monopoly on lotteries in Denmark, except for charity lotteries. Charity lotteries can be run legally with a licence or in a closed association. Nevertheless, various requirements must be met, for example, the primary activity of the association must not be running of lotteries. The intention in charity lotteries is to raise money for a good cause benefitting a broad circle of people. Consequently, the proceeds of the lottery cannot go to the association itself, for example social events for the members of the association.

The Danish Gambling Authority is aware that the definition of a lottery and the rules on offering charity lotteries may be hard to understand. When we are out on on-site inspections, we always encourage them to call our case workers for more guidance.

On the 1st of October 2022, the Danish Gambling Authority took the stand in a case where a pub offered betting without a licence. The owner of the pub believed that the specific game could not be categorised as betting. The court ruled in favour of the Danish Gambling Authority and the pub was fined. In total, two cases of illegal lotteries have resulted in a fine in 2022.

Inspections of gambling activities at restaurants and pubs will continue in 2023.

2.7 Presentations for young people

For several years, the Danish Gambling Authority has offered to give presentations for students at upper secondary educations about our work, among other things, on illegal gambling and the differences between video gaming and gambling. In 2022, we increased our efforts to reach even wider with our presentations.

At first, the target group is students at upper secondary educations, but we want to reach an even wider group, for example, technical colleges, boarding schools for lower secondary students and esports associations. In 2022, the Danish Gambling Authority established a collaboration with a school in Odense that wanted presentations by class. Our experience with this type of presentations as opposed to presentations for larger crowd is very positive.

Until now, the presentations have dealt with:

- The definition of gambling
- Motivations for gambling
- Variance and probability
- Reimbursement rates
- Loss of control
- The Danish Gambling Authority's labelling scheme

The participants are highly involved in the presentations who use both visual and physical elements. For example, a physical roulette contributes to visualising facts about reimbursement rates and the chance of winning.

We have consciously chosen to not scare the young people away from gambling and the response from both the students and the teachers has been very positive.

2.8 Illegal mediation on the streaming service Twitch

Last year, the Danish Gambling Authority received 31 reports about marketing and mediation of illegal gambling on the streaming service Twitch, which is a platform with live streaming of especially users playing video games.

Therefore, we continued a project which was initiated in 2021. In the project, we inspected the scope of the offers and if there is any mediation to either legal or illegal gambling websites, including skin betting websites aimed at the Danish market.

In 2022, we have inspected over 15 Twitch channels on Twitch.tv and we have reviewed more than 60 streams and videos. We found examples of mediation but no examples of gambling offers. Moreover, we did not find any advertisements on or mediation of skin betting.

The examples we found on mediation were both mediation of gambling operators with a licence and operators without a licence.

Many of the streamers the Danish Gambling Authority have been in contact with were not familiar with the gambling legislation and we have therefore made a big effort to guide them on the rules.

Illegal gambling in the land-based sector

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3.1 Illegally installed gaming machines and betting terminals

If the Danish Gambling Authority becomes aware of potentially illegally installation and operation of poker machines or gaming machines or betting terminals, we will report it to the police. We always assist the police if they ask us to.

In 2022, the Danish Gambling Authority was involved in 39 cases on gambling premises where poker machines or gaming machines were installed without a licence.

3.2 Poker without a licence

Poker without a licence is not a breach of the Gambling Act but a breach of sections 203 and 204 of the Criminal Code. This means that it is not the Danish Gambling Authority but rather the police who has the authority to inspect gambling premises without a licence. However, the Danish Gambling Authority can offer to assist the police on inspections. If the Danish Gambling Authority becomes aware of illegal poker clubs, we inform the police. The Danish Gambling Authority has not been involved in any cases on illegal poker 2022.

3.3 Illegal charity lotteries

In 2022, the Danish Gambling Authority continued a project on inspections of bingo halls which started in 2019.

In total the Danish Gambling Authority completed inspections of 108 associations who have run bingo events. We have sent 34 reports to the police on illegal charity lotteries. The associations are located all over Denmark.

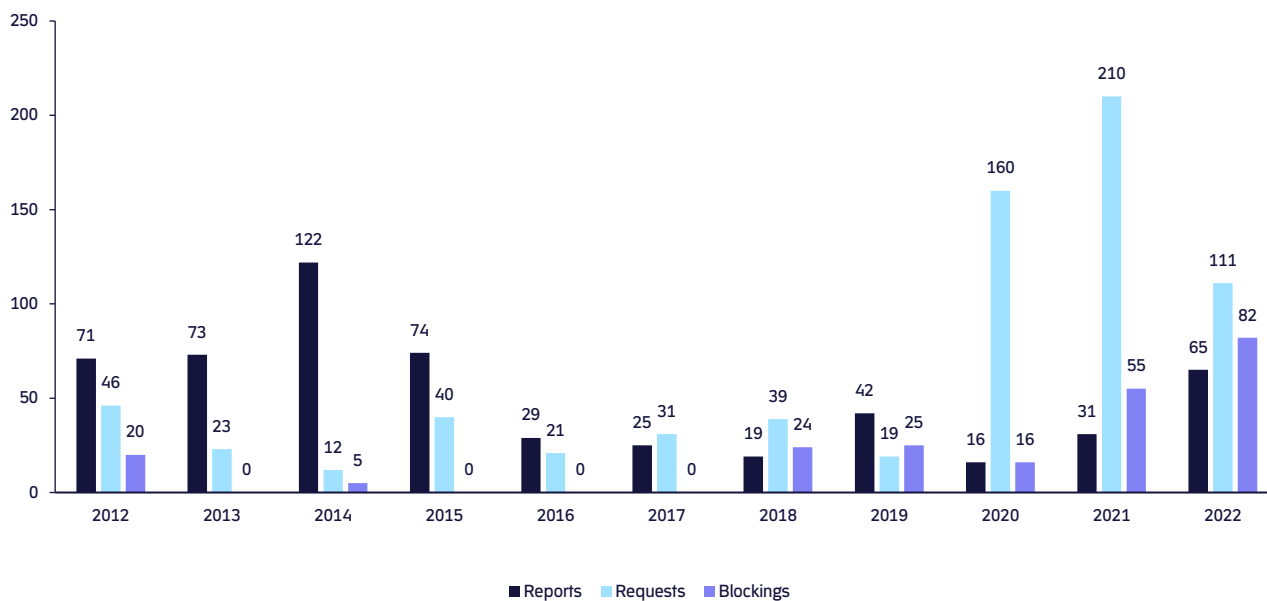
The project continues in 2023.

Annexes

4

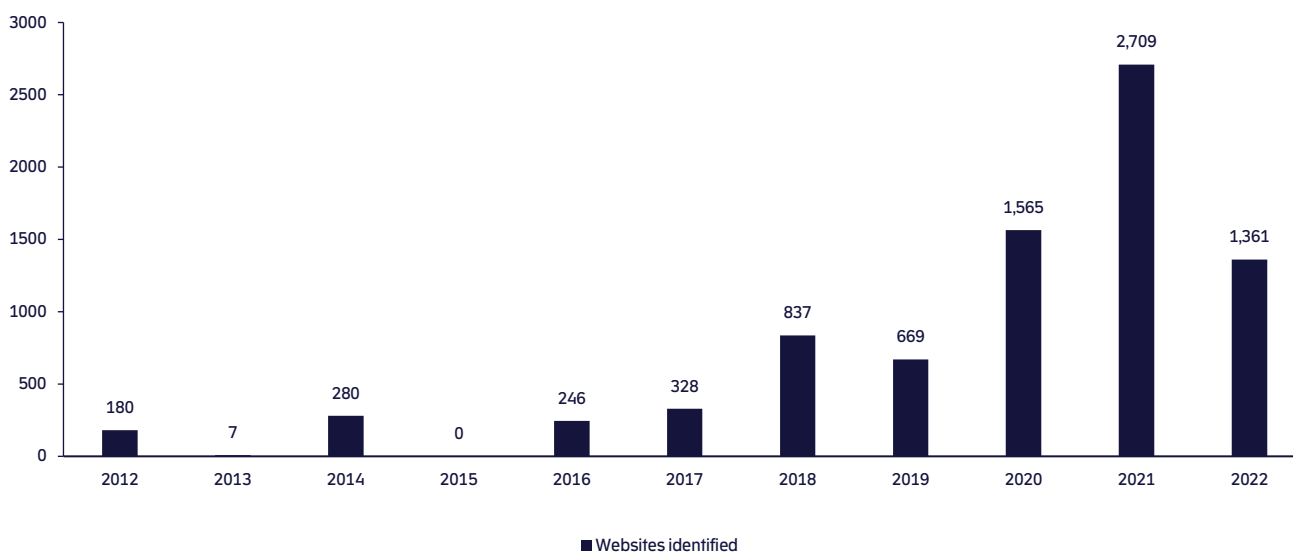
4.1 Annex 1: Overview of reports, requests and blockings since the online gambling market was partially liberalised in 2012

Figure 1. Number of requests, reports and blockings from 2012-2022



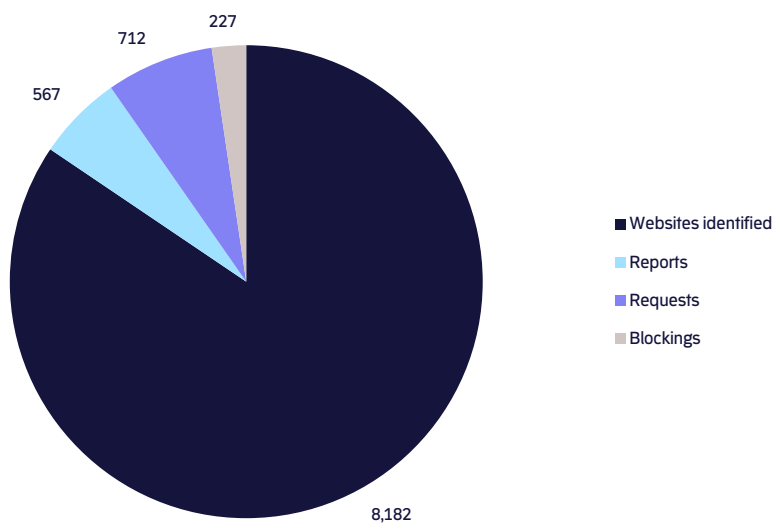
Source: the Danish Gambling Authority

Figure 2. Number of websites identified from 2012-2022



Source: the Danish Gambling Authority

Figure 3. Total number of requests, reports, blockings and websites identified for 2012-2022



Source: the Danish Gambling Authority

4.2 Annex 2: Statistics published from H2 Gambling Capital

For 2022, it is only estimates of the channelisation rate that have been published.

It appears from table 1 that Denmark still has a high channelisation rate in the online sector compared despite a possible minor fall in the channelisation rate in 2022.

Table 1. Channelisation rate for the online gambling market

Rating	2020		2021		2022	
	Country	Channelisation rate	Country	Channelisation rate	Country	Channelisation rate
1	Great Britain	97.39%	Great Britain	97.64%	Great Britain	97.78%
2	Italy	92.81%	Czech Republic	94.85%	Czech Republic	96.58%
3	Czech Republic	92.79%	Sweden	91.73%	Italy	93.47%
4	Romania	90.39%	Romania	91.29%	Romania	90.79%
5	Denmark	88.43%	Denmark	89.32%	Portugal	90.02%
6	Belgium	87.88%	Belgium	88.16%	Estonia	89.43%
7	Sweden	86.23%	Italy	87.81%	Bulgaria	89.36%
8	Portugal	83.20%	Lithuania	84.99%	Sweden	89.27%
9	Lithuania	82.64%	Portugal	84.45%	Belgium	89.25%
10	Spain	81.80%	Estonia	84.27%	Denmark	89.20%

Kilde: H2 Gambling Capital

