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**Extract from Rigsrevisionen's report submitted to the Public Accounts Committee** 

The Danish Gambling Authority's efforts regarding online gambling for money

## 1. Introduction

#### **Purpose and conclusion** 1.1.

- 1. This report focuses on the Danish Gambling Authority's efforts regarding online gambling for money. The Danish Gambling Authority, under the Ministry of Taxation, is responsible for issuing licenses to online gambling providers and supervising their compliance with the law. It is also responsible for limiting illegal gambling offerings. This study specifically examines efforts to protect players from developing gambling addiction and the Danish Gambling Authority's efforts to block illegal websites.
- 2. If the Danish Gambling Authority's efforts regarding online gambling for money are insufficient, there is a risk that players are not protected from exploitation or the development of gambling addiction.

Nearly 500,000 Danish adults experience problems related to gambling to varying degrees. About 24,500 minors under 18, who are legally too young to gamble, also face such problems. These issues include gambling for more money than intended and, in some cases, developing gambling addiction. This information comes from a study on gambling and gambling-related problems in Denmark conducted by consultancy Rambøll for the Ministry of Taxation in May 2022. The study also shows that online casino and online betting are the preferred games among individuals with gambling problems.

3. During the period 2020-2024, there were about 40 licensed providers of online gambling for money in Denmark, operating on around 125 websites. Figures from the Danish Gambling Authority show that in 2024, Danes spent DKK 5.4 billion on online casino and betting with licensed providers. That is more than three times the amount spent in 2012, the year Denmark partially liberalized its gambling market.

Online casino and betting accounted for about 49% of the gambling market turnover in 2024. The remaining gambling activities mainly include lotteries (such as Lotto), and to a lesser extent, physical casinos, slot machines, and betting at kiosks and gaming halls.

### Supervision of online gambling for money

We examined the Danish Gambling Authority's supervision of online casinos and online betting, which are regulated by the Gambling Act and executive orders on online casino and online betting. Lotteries, such as Lotto and Klasselotteriet, are not included in the study.

### Gambling for money

Gambling for money is defined by the following criteria:

- · A monetary stake must be paid.
- · There must be an element of chance.
- · A monetary prize can be won as a result of the stake.

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- 4. The purpose of the study is to assess whether the Danish Gambling Authority's efforts regarding online gambling for money are satisfactory. The study covers the period 2020–2024. We answer the following questions in the report:
- Has the Danish Gambling Authority carried out satisfactory supervision and responded appropriately to licensed providers of online gambling for money?
- Has the Danish Gambling Authority responded to owners of websites that illegally offer gambling for money?

Rigsrevisionen initiated the study in February 2024.

# **Conclusion**

The Danish Gambling Authority, under the Ministry of Taxation, has not had a satisfactory approach to online gambling for money. Although the Danish Gambling Authority has supervised all licensed providers and systematically monitored the illegal market, it has not systematically followed up on whether providers comply with enforcement measures. Additionally, there is a long delay between identifying an illegal gambling website and requesting an internet service provider to block access to it. As a result, players are less protected from the harms associated with gambling than they could be.

### The Danish Gambling Authority has supervised all licensed providers, but the follow-up on supervision has not been satisfactory

Over a five-year period, the Danish Gambling Authority monitored whether providers complied with rules designed to protect players. However, in certain areas, the supervision was less comprehensive.

The supervision led to 274 warnings issued across all 40 providers. In addition, the Danish Gambling Authority issued six reprimands and reported 13 providers to the police for regulatory breaches. It has not systematically followed up to ensure that the issues it responded to were corrected. The Danish Gambling Authority determined there was no basis to use other enforcement options, such as amending license conditions or revoking licenses. Since some providers repeatedly breach the same rules, Rigsrevisionen recommends that the Danish Gambling Authority reconsider its approach to dealing with repeated violations.

### Reactions to illegal websites not satisfactory

The Danish Gambling Authority has systematically monitored the online gambling market and identified 425 websites offering illegal gambling. It sent requests to website owners to stop offering gambling illegally and initiated the blocking of sites that did not comply. On average, it takes 9.2 months from the time the Danish Gambling Authority identifies a website to the time it requests an internet service provider to block it. During that period, players can still access the illegal site.

Among the identified websites, 24 were still offering gambling illegally at the time of Rigsrevisionen's study. These were sites that had temporarily become legal, but the Danish Gambling Authority had not followed up to determine whether they had become illegal again.

### Blocking of illegal gambling websites

When the Danish Gambling Authority finds it necessary to initiate the blocking of a website offering illegal gambling, it must first request an internet service provider to block user access. As a rule, the provider does not comply with this request. Therefore, the Danish Gambling Authority must take the provider to court. If the court rules in favor of the Danish Gambling Authority, the provider must block access to the illegal website.