

Treasury's Own Forecaster Predicts £600m Black Market Leakage

Industry veteran warns Budget measures will drive punters offshore, cost jobs, and ultimately reduce tax receipts

LONDON, UNITED KINGDOM, November 28, 2025 /EINPresswire.com/ -- The UK Government's

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dramatic increase in gambling duties announced in this week's Budget will fail to deliver projected revenues and instead accelerate the growth of unregulated black market operators, according to one of the UK's longest-serving digital gambling specialists.

David Shaw, founder of [Exquisite Media](#) - a digital marketing agency specialising in the iGaming and financial

services sectors - has worked in the industry for over 18 years. His agency works with major betting brands, and also operates its own platforms iGaming platforms, giving him direct exposure to the impact these changes will have across the sector.

Shaw warned that the measures - which include an increase in Remote Gaming Duty from 21% to 40% and a new 25% rate on online sports betting - mirror failed policies in other European markets that saw tax receipts fall rather than rise.

His warning comes as the Office for Budget Responsibility's own analysis acknowledges that approximately £600 million of projected revenue will be lost to "potential substitution to the illicit market" - effectively admitting the policy will drive consumers toward unregulated offshore operators.

"The Treasury's own watchdog admits £600 million will leak to the black market," said Shaw. "When your own forecaster is telling you the policy won't work as intended, perhaps it's time to listen. We've watched France, Sweden, and the Netherlands travel this road - higher taxes, shrinking regulated markets, thriving criminal operators. The UK just bought a first-class ticket to the same destination."

The concerns are supported by data from across Europe. France now sees 57% of its online betting take place on black market sites, with Sweden at 35% and the Netherlands at 37%. Research published ahead of the Budget showed that the UK's own black market has already

grown from 3.3% of total online gambling spend in 2021 to approximately 5% today - a trajectory that industry observers expect to accelerate sharply under the new tax regime.

The impact is already being felt. Within hours of the Budget announcement, Evoke - owner of William Hill - confirmed that mitigation plans would include retail store closures and significant redundancies. Entain, which operates Ladbrokes and Coral, estimated an additional £200 million in annual costs. Gambling stocks initially fell sharply, with some operators down nearly 20% before partially recovering.

Research comparing European markets between 2019 and 2024 found that countries with gambling tax rates below 25% saw annual growth in tax receipts of 13%, compared to just 9% in higher-tax jurisdictions - suggesting that moderate taxation generates stronger returns than punitive rates that push activity underground.

"Make no mistake - this isn't a tax on gambling companies, it's a tax on punters," Shaw added. "Operators will pass on 90% of these costs through worse odds and reduced payouts. And when British bettors realise they can get better value from unregulated offshore sites, many will take it. That's not scaremongering - that's exactly what's happened in every European market that's tried this."

At 40%, the UK's Remote Gaming Duty now exceeds that of the Netherlands, where a recent tax increase saw a rise in illegal gambling activity and a corresponding fall in government receipts. Critics argue that the Chancellor's projected £1.1 billion revenue target is based on assumptions that ignore behavioural shifts already documented elsewhere in Europe.

The regulated UK gambling industry currently contributes over £4 billion annually in tax and supports approximately 109,000 jobs. Industry bodies have warned that aggressive taxation risks undermining both figures while strengthening criminal operators who offer no consumer protections, fund no responsible gambling initiatives, and pay nothing to the Treasury.

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