

September 2022

10 years with a liberalised market: Danes prefer gambling websites with a Danish licence

In 2012, betting and online casino were liberalised in Denmark. Data from the Danish Gambling Authority shows that an increasing share of online gambling in Denmark takes place on licensed websites. In fact, the share is among the highest in Europe.

When the current Gambling Act entered into force on 1 January 2012, betting and online casino went from being subject to a state monopoly to being liberalised. With a licence from the Danish Gambling Authority, it became legal for private companies to offer betting and online casino on the Danish market.

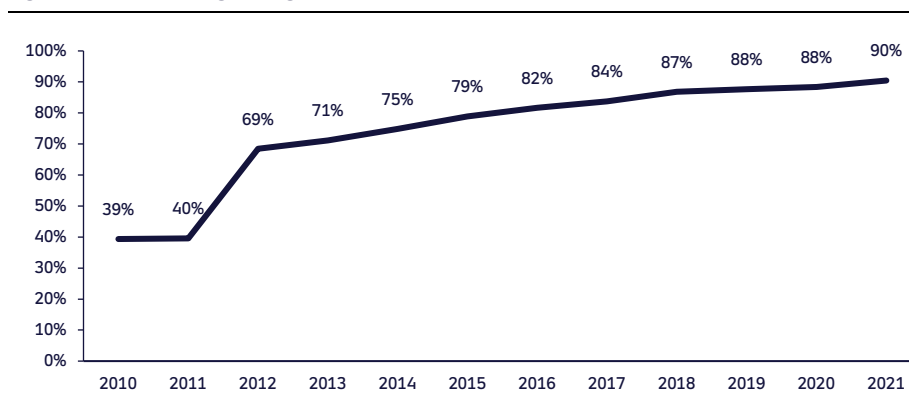
The purpose of the liberalisation was to support a regulated and responsible Danish gambling market where there was, among other things, better consumer protection for players. One of the aims was to move the Danes' spending on online gambling to websites with a licence to operate on the Danish market, and which were thus subject to Danish rules for the provision of gambling.

Danes gamble on websites subject to Danish rules

The share of online gambling that takes place with operators with a Danish licence has increased strongly since 2012. Before the liberalization, around 40 percent of the online gambling spend took place with the regulated monopoly – that is with the state's own provision of gambling products. However, in 2021 90 percent of online gambling took place on regulated websites, *cf. figure 1*.

90%

Figure 1. Share of online gambling in Denmark on sites with a Danish licence, 2010-2021



Online gambling on regulated websites
In 2021, 90 percent of online gambling activities in Denmark took place on websites with a Danish licence.

Source: H2 Gambling Capital.
Note: The figure covers all types of online gambling. Online gambling is calculated as online gambling spend. H2 Gambling Capital's data may change which is why the figures may be updated later on. The data for the figure was drawn on 4. May 2022.

The development means that the vast majority of Danes' online gambling takes place on websites with a Danish licence. The Danish Gambling Authority continuously monitor whether the websites comply with the applicable legislation. On websites with a Danish licence, there is, for example, a requirement for players to set a deposit limit before the person can start gambling. It is also a requirement that the player is made clearly aware of the option to self-exclude from gambling via ROFUS (Register of self-excluded players). In addition, gambling operators with a Danish licence must also pay gambling duties to the Danish state.

ROFUS (Register of self-excluded players)

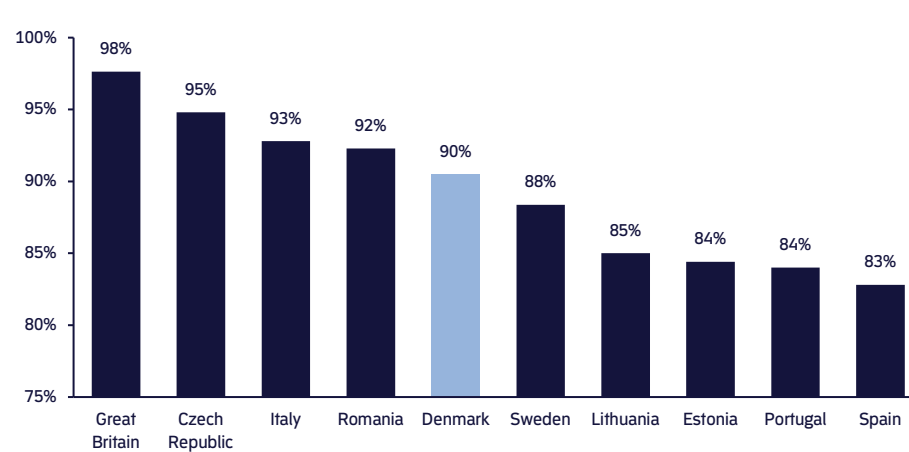
In connection with the partial liberalisation of the gambling market in 2012, the Danish Gambling Authority established ROFUS. The register was one of more political initiatives to combat compulsive gambling.

With ROFUS, individuals can self-exclude from online gambling and gambling at land-based casinos. The exclusion period can be temporary (24 hours or one, three or six months) or permanent. As of 1 January 2022, 33,603 persons have registered with ROFUS.

Denmark is at the top in Europe

Across Europe, Denmark is among the countries where the largest share of online gambling takes place on websites licensed to offer gambling products in the country in question. In 2021, Denmark took fifth place in Europe, surpassed only by Great Britain, the Czech Republic, Italy and Romania, cf. figure 2. The ranking indicates that a competitive, regulated market has been created, which is attractive to gambling operators and consumers.

Figure 2. Top 10 countries in Europe measured by the share of online gambling taking place on licensed sites, 2021



Source: H2 Gambling Capital.
Note: The figure covers all types of online gambling. Online gambling is calculated as online gambling spend. H2 Gambling Capital's data may change which is why the figures may be updated later on. The data for the figure was drawn on 4. May 2022.



How the gambling spend is calculated

The Danish Gambling Authority measures the gambling spend as the gambling operators' gross gaming revenue (GGR). The GGR is calculated based on the players' stakes (including bonuses) minus winnings, plus the commission players pay to participate in games. Thereby, GGR is a measure for how much players have lost on gambling in total.

H2 Gambling Capital's estimate for online gambling taking place on websites without a licence is made based on more data sources, among other things, information about gambling operators with a licence in other countries than Denmark and measurements of Danish visits to gambling websites without a Danish licence.

The Danish Gambling Authority monitors the development of Danes' gambling spend

It is a core task for the Danish Gambling Authority to continuously analyse the development on the Danes' gambling spend. This ensures that the Danish Gambling Authority is always up to date on the latest trends and can target its supervision of the gambling operators so that it is ensured that gambling in Denmark takes place fairly and responsibly.

The Danish Gambling Authority published both quarterly statistics with various data and statistics on the Danish gambling market and a monthly overview of the latest data on the gambling spend on betting, online casino, gaming machines and land-based casinos.

Liberalisation of the gambling market

In 2012, a partial liberalisation of the Danish gambling market was implemented. This changed the framework for two of the biggest gambling areas on the market: online casino and betting. This meant that everyone can now legally offer these types of gambling products if they obtain a licence from the Danish Gambling Authority.

Before 2012, betting and online casino was subject to a monopoly so that only the state-owned Danske Spil were licenced to offer these types of gambling products. However, the monopoly was under pressure from foreign online providers of betting and online casino, who increasingly offered gambling activities in Denmark without a licence. Thus, the purpose of the liberalisation was to ensure that gambling is safe and regulated.