

Cryptocasinos are evolving worryingly fast. Here's how to get to grips with them

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Credit: AI-generated image ([disclaimer](#))

[New gambling rules](#) are being proposed by the UK government for the first time since the invention of the smartphone. But these "reforms for the digital age" are silent on cryptocasinos, where you can bet online using cryptocurrencies. These platforms have seen remarkable and potentially dangerous developments since the government's consultation

for its reforms began in late 2020.

The first [peer-reviewed paper](#) on cryptocasinos was only published in October 2020. The [gambling](#) games discussed were laughably simple, such as bets on virtual coin flips or dice rolls. Such activities that might appeal to bored friends on a long journey must have seemed benign compared to the world of in-play sports betting and online slots available using conventional currencies.

But fast-forward a year and cryptocasinos had evolved substantially. In April 2021, Premier League football team Southampton signed a [£7.5 million a year](#) sponsorship deal with sportsbet.io, which specializes in allowing gamblers to make sports bets during matches with cryptocurrencies.

Shortly afterwards, the rapper Drake [announced a partnership](#) with Stake.com, another major cryptocasino, which would see him livestreaming six-figure wagers across sports and online casino games. Stake.com then became Everton FC's new shirt sponsor in June 2022, causing a [significant backlash](#) among football fans and gambling harm advocates.

However, most of this opposition focused on the rise of gambling shirt sponsors in football, which will be addressed by the Premier League's [recent announcement](#) banning them from the 2026–27 season onwards. Yet it's not enough to just think of cryptocasinos in the same way as any other online gambling operator; they pose unique risks that have mostly gone unnoticed.

The risks

First, cryptocurrencies carry inherent risks. Becoming [a crypto millionaire](#) is now a common get-rich-quick dream, but some people get

so obsessed with the high-stakes trading that they [end up seeking treatment](#), just like with [gambling addiction](#). It is also easy for crypto assets to disappear, such as via the collapse of the [crypto exchange FTX](#) in November 2022.

It may be that people are more willing to gamble with crypto than with more tangible forms of money. This would be analagous to the fact that digital deposits at online casinos [are thought](#) to encourage gambling more than casino chips.

In addition, cryptocasinos tend to be lightly regulated. They often obtain licenses from the [Caribbean island of Curaçao](#), which has a more lax approach than, for example, Great Britain's Gambling Commission. Platforms operating within Great Britain still have to abide by Gambling Commission rules, but there are workarounds.

For instance, the Gambling Commission does not allow platforms to accept crypto deposits. As a result, cryptocasinos like Stake.com redirect mainland British visitors to a "white label" version of the site that only allows deposits in conventional currencies.

But UK users can easily reach the crypto version of Stake.com (licensed in Curaçao) by using a virtual private network (VPN) to make it appear that they are from a different country, as demonstrated by [investigative reporters](#). Stake.com responded that all operators in the sector experienced users trying to bypass such restrictions using VPNs, and pointed to an example of one user that it had shut down.

We also contributed to [research that](#) found that 22 frequently visited cryptocasinos did not even require a VPN for British users to evade such site restrictions. These sites were also part of a wider group of 37 cryptocasinos (out of 40 surveyed) that didn't require proof of ID before allowing crypto deposits.

Meanwhile, cryptocasinos are often accessible from [countries such as China](#) where online gambling is illegal. The fundamental anonymity of cryptocurrencies makes it harder for law enforcement to intervene in these situations.

The lax regulation in this area is also apparent when you look at the safer gambling messaging. The messaging used by conventional online gambling operators is [bad enough](#)—many introduced a very weak "take time to think" message a couple of years ago, for example. But the cryptocasinos are worse, using wholly inappropriate messages emphasizing potentially huge winnings. For instance, BetBigDollar.com tells its customers:

"Yes, there is a chance of winning vast amounts of money, but, if not treated as entertainment only and nothing more, irresponsible gaming can have dire consequences for the player."

What would help

Cryptocasinos demonstrate how online gambling will continue to evolve rapidly. The British regulatory approach is much too slow, insisting on evidence that researchers simply don't have the tools to deliver. The [new proposals](#) give the following rationale for not recommending any substantive new restrictions on gambling marketing:

"The limited high-quality evidence we received shows a link between exposure to advertising and gambling participation, but there was little evidence of a causal link with gambling harms or the development of gambling disorder."

A government that makes policies based on only what is known for certain, and which takes two years to react to evidence, is doomed to repeat the policy failures of the 2000s. Gambling was liberalized at that

time, but few realized that smartphones would soon give people access to a casino in their pocket.

The truth is that cryptocasinos are too new, and their future evolution too uncertain, to know for sure how policymakers should respond.

Cryptocasinos may ultimately require too great a degree of technical knowledge to become a widespread public health concern. But some danger signals are there.

For example, Gamstop is a service that UK-based gamblers can use to self-exclude from [online gambling](#). Some self-excluded gamblers have [posted on social media](#) that cryptocasinos have allowed them to evade Gamstop and continue gambling again, with terrible consequences.

For now, some broad principles could be used. The trick is not to make decisions based solely on the information available, but to anticipate how things may evolve. New gambling operators are going to use all available tools to gain gamblers' attention and increase their perceived legitimacy. That will always include marketing, not just on Premier League shirts, but via influencers and [social media](#), so it would make sense to restrict this avenue.

The Gambling Commission's approach to giving cryptocasinos access to UK markets via white labeling should also be reconsidered. Without question, it is much easier to use cryptocurrencies to gamble than it should be.

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