The ad spend disconnect

Quantifying the growth of unregulated ad spend in the gambling sector

Research by
WARC

April 2026

WARC

Executive summary

Research by WARC, published last year, found that advertising spend among the gambling sector – excluding lotteries – totalled just under £2bn in the UK. This research was widely cited by national and trade press, as well as within UK Parliament.

This ancillary study by WARC, which builds on the initial dataset, finds that growth in UK gambling advertising is increasingly driven by unregulated operators, whose substantial investment in online channels continues to outpace the wider market.

In contrast, regulated firms are significantly reducing advertising expenditure in response to new taxation and margin pressures, contributing to a widening structural divide within the market.

Consequently, while total sector investment is forecast to reach £1.9bn by October 2026, this headline growth obscures a marked shift in market composition – away from regulated advertisers and towards a predominantly online, and often overseas, 'black market'.

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Key findings

01 Growth lags the wider market:

Total gambling advertising spend is forecast to increase by 5.4%, significantly below the 9.4% growth expected for the UK advertising market overall, although this still represents a sixth consecutive year of expansion.

02 Digital channels dominate:

Search (37.1% – £703m) accounts for the largest share of total spend, while online display (44.1% – £525m) represents the largest display channel, having surpassed television during the pandemic.

03 Sponsorship largely unregulated:

Unregulated companies are now driving all growth in gambling sponsorship spend and are set to account for the majority of total sponsorship spend by 2026/27.

04 Unregulated sector expanding rapidly:

Spend by unregulated companies is projected to rise by 32.0% to £845m, with forecasts indicating it will exceed £1bn by 2028, driven largely by online activity.

05 Structural shift in market share:

The share of total spend attributable to regulated firms has declined from 83.8% during the pandemic to 52.3%, and is projected to fall below 50% by 2028, raising concerns regarding regulatory oversight and consumer protection.

06 Real-term divergence is more pronounced:

When adjusted for inflation (indexed to 2019/20), regulated firms' advertising spend is expected to fall by 11.7% to £795m this year, while unregulated spend increases by 28.4%. By 2026/27, unregulated investment will be 3.7 times higher than during the pandemic, whereas regulated spend will have declined by more than a fifth (-22.3%).

Key charts

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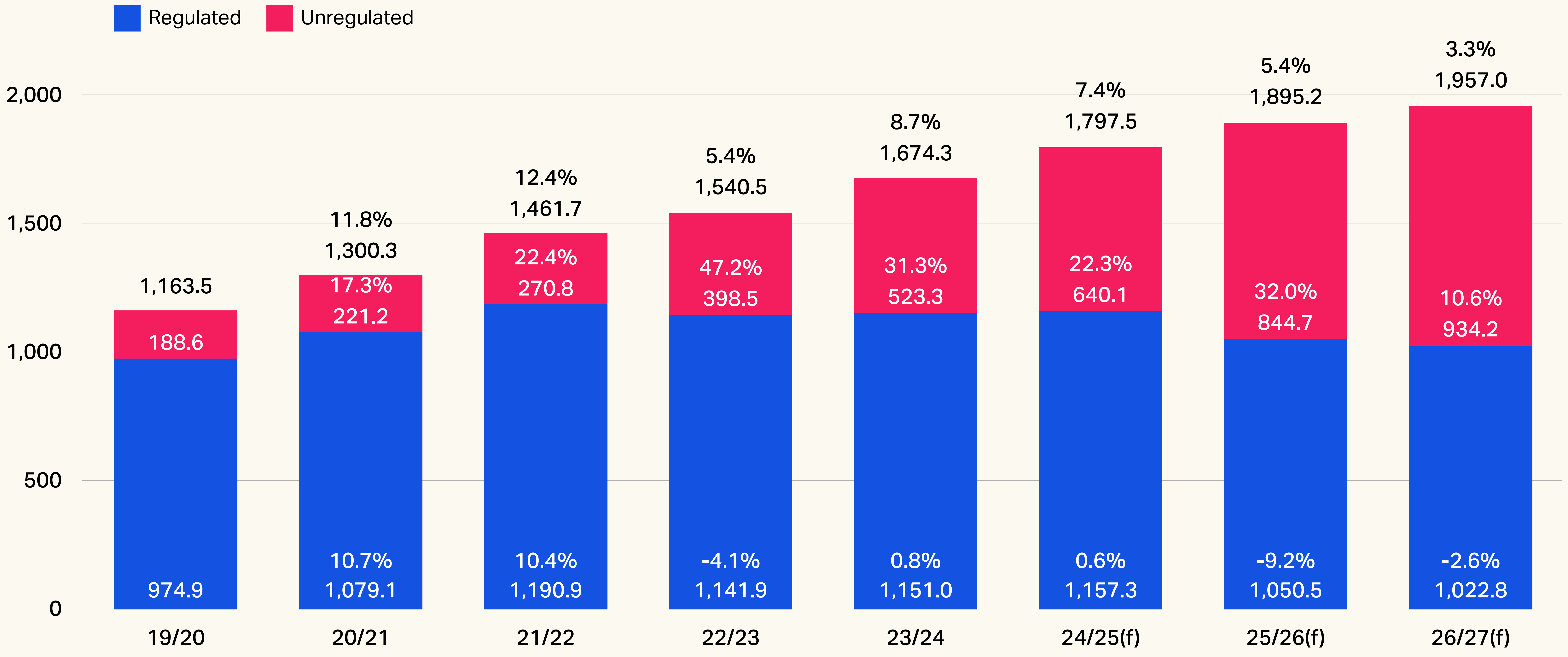
UK Gaming Market, 2019/20 – 2026/27(f), Advertising spend, Year-on-year % change and £m, nominal



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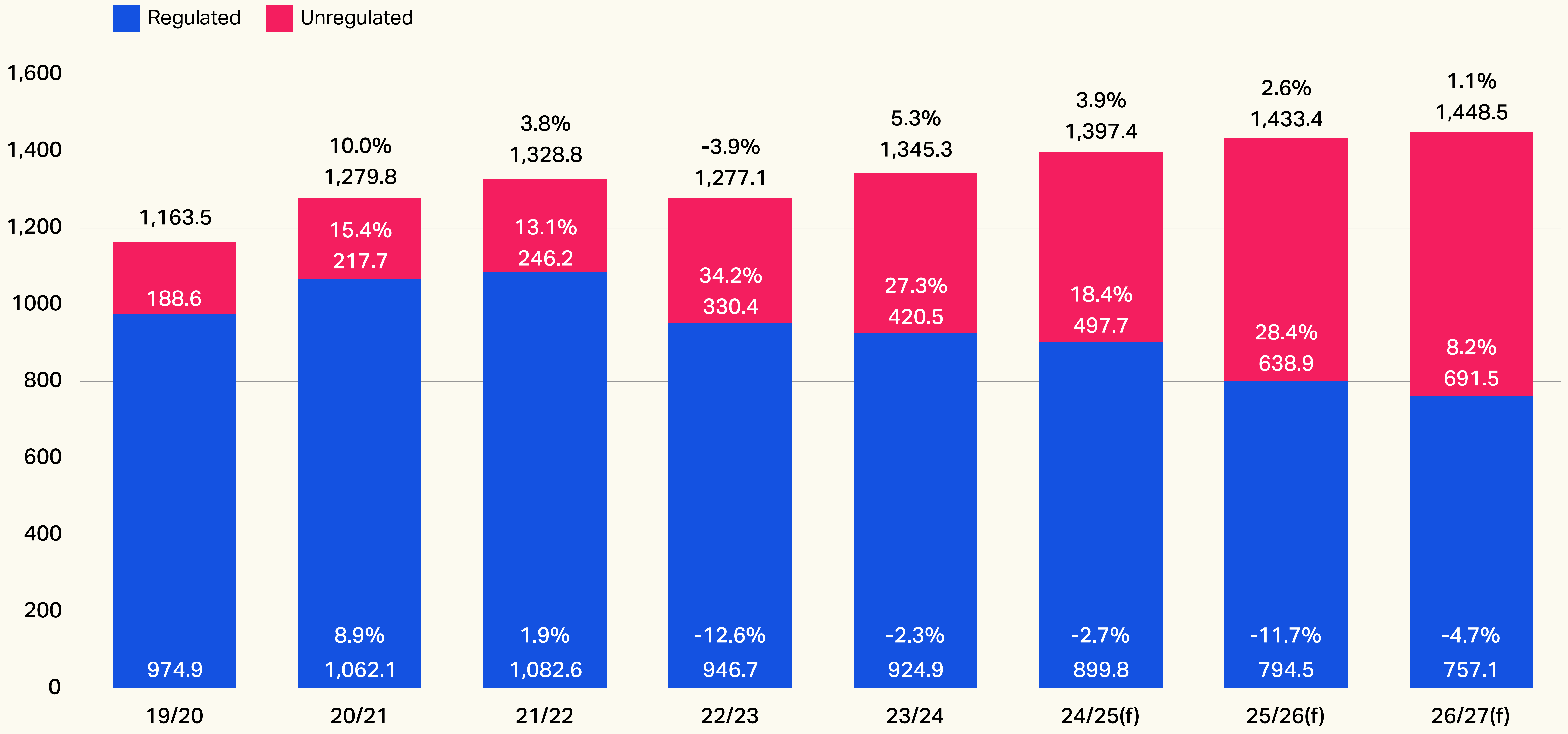
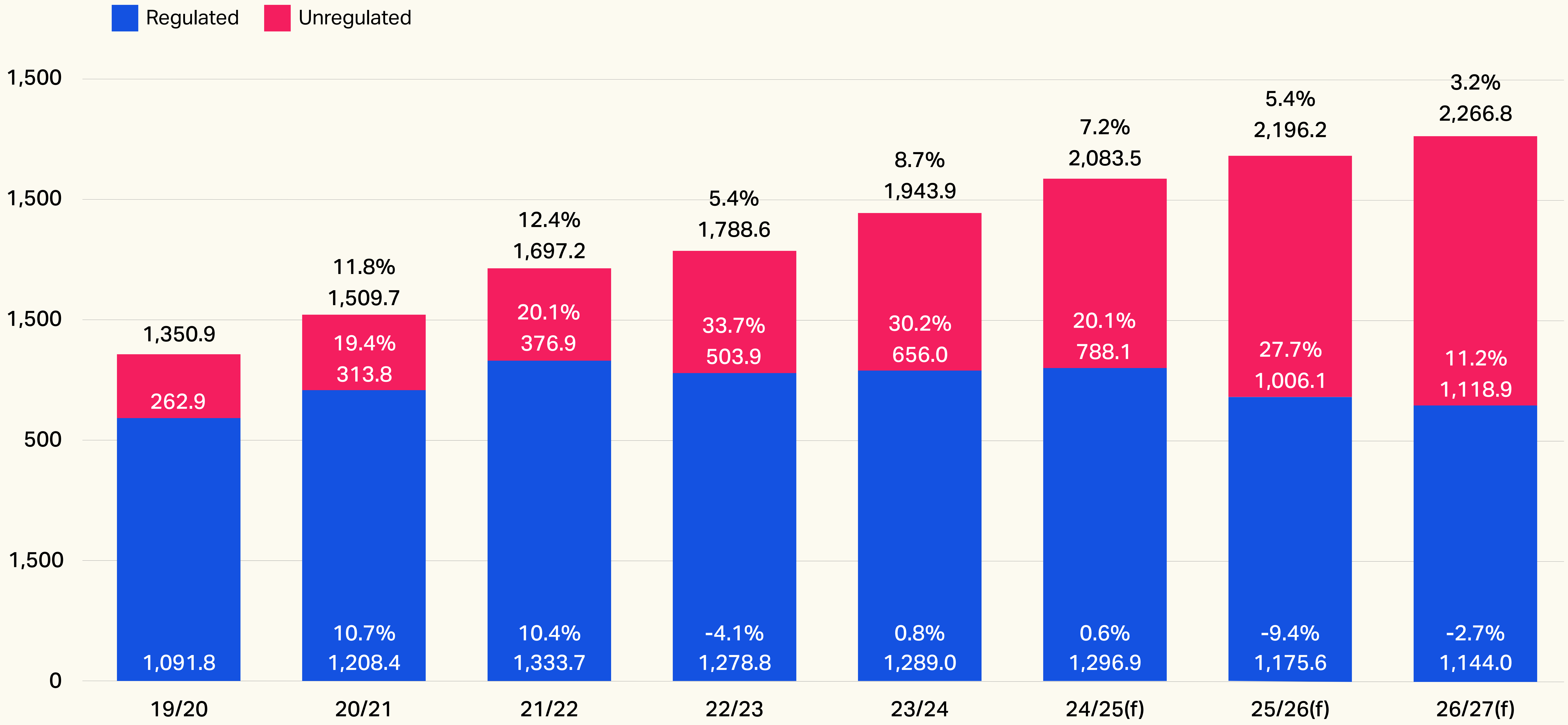
UK Gaming Market, 2019/20 – 2026/27(f), Advertising spend, Year-on-year % change and £m, real terms



UK Gaming Market (including sponsorship and affiliate marketing), 2019/20 – 2026/27(f), Advertising spend, Year-on-year % change and £m, nominal



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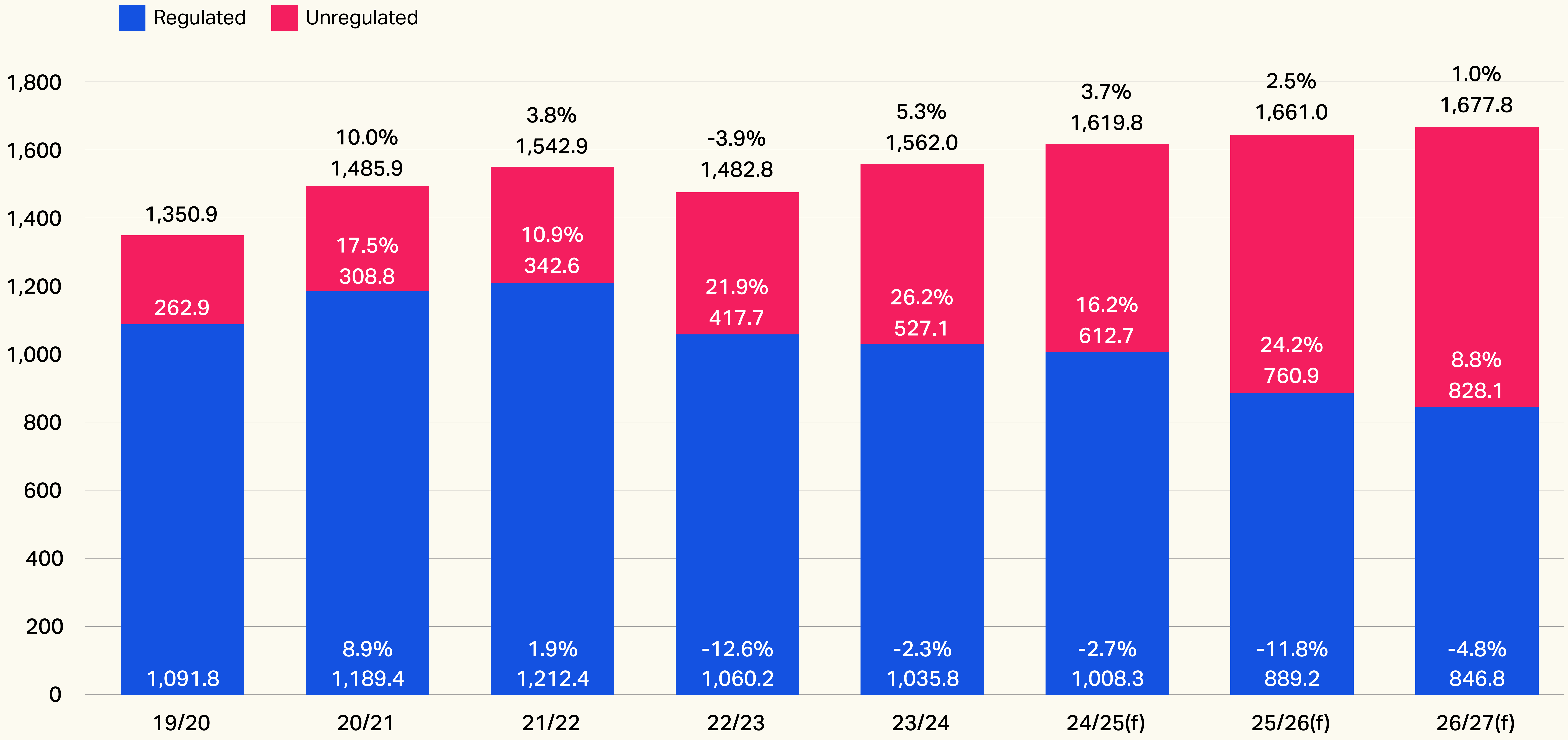
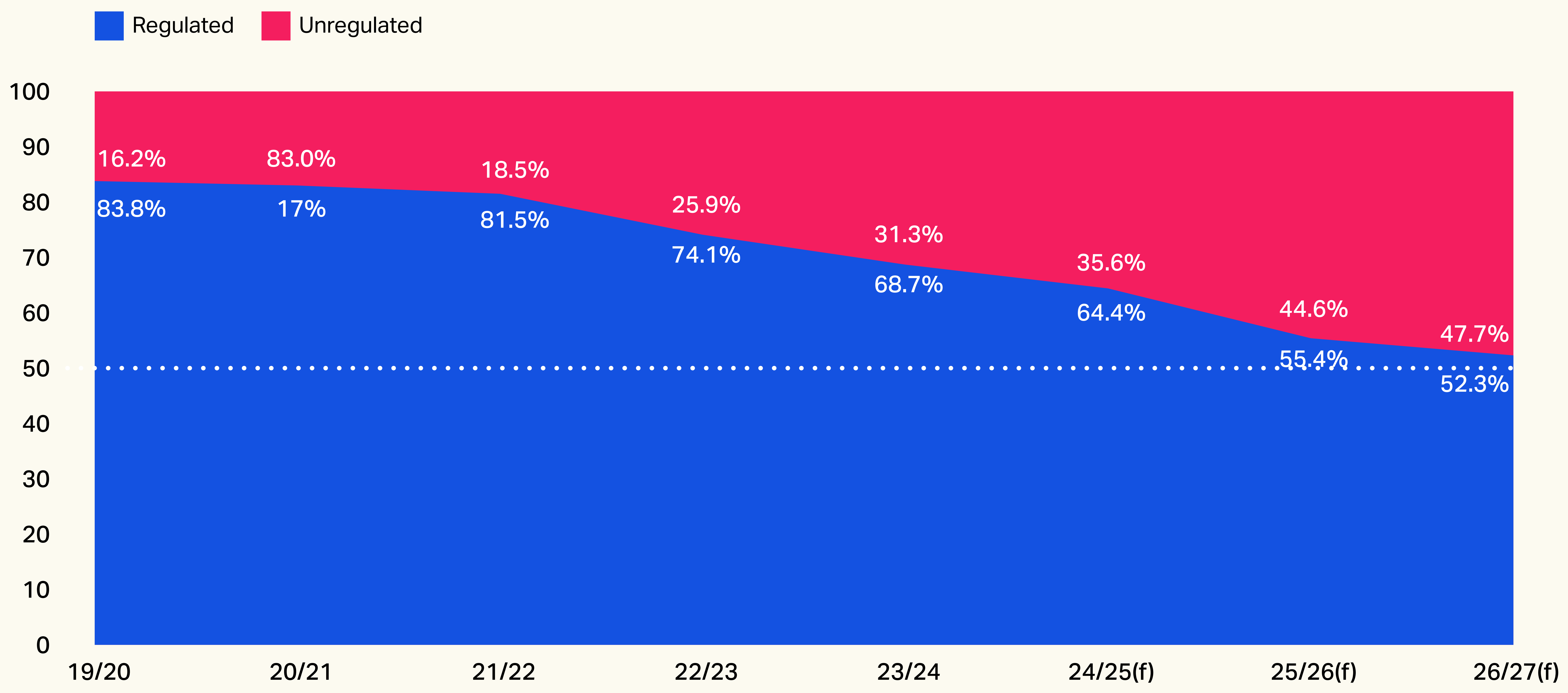
UK Gaming Market (including sponsorship and affiliate marketing), 2019/20 – 2026/27(f), Advertising spend, Year-on-year % change and £m, real



UK Gaming Market, 2019/20 – 2026/27(f), Share of advertising spend



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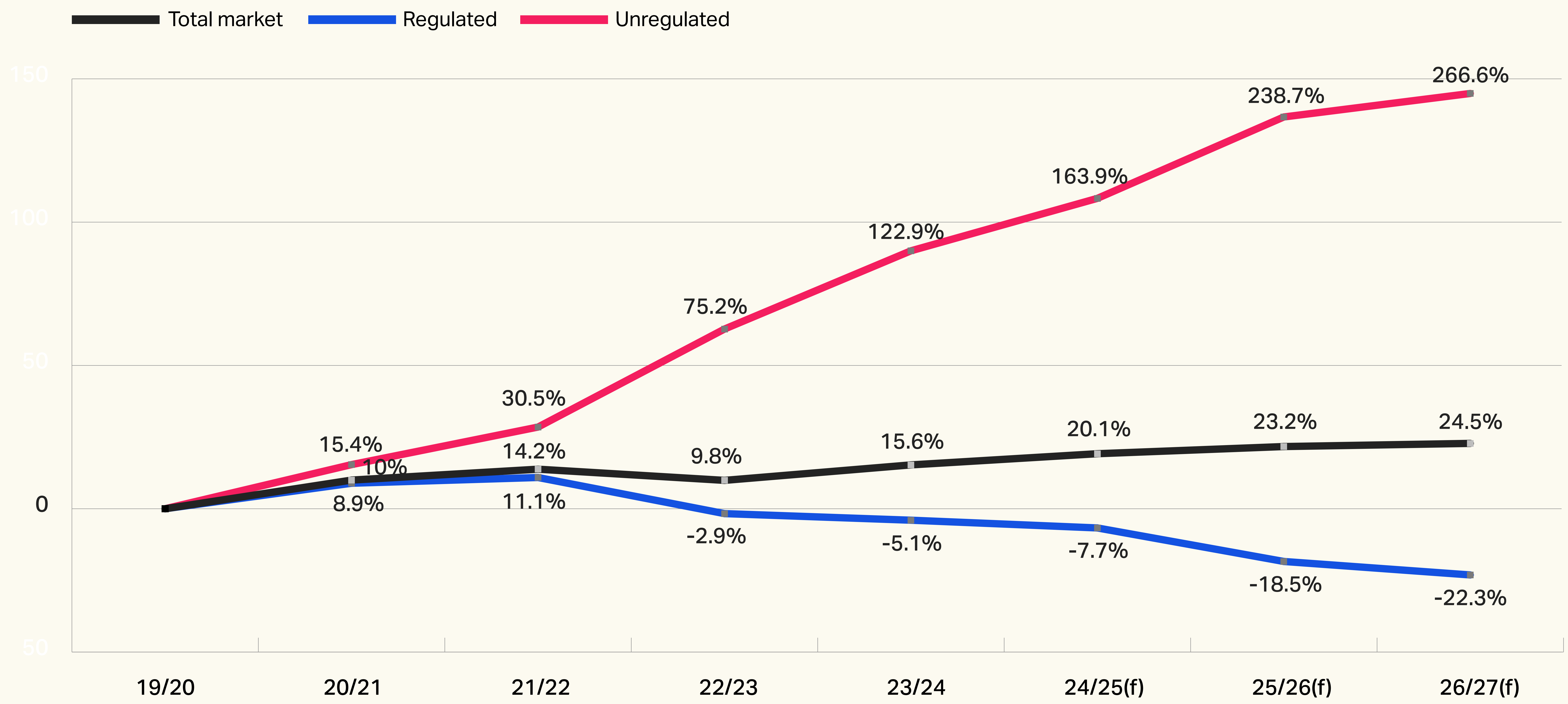
Real Growth in UK Gaming Market, 2019/20 – 2026/27(f)



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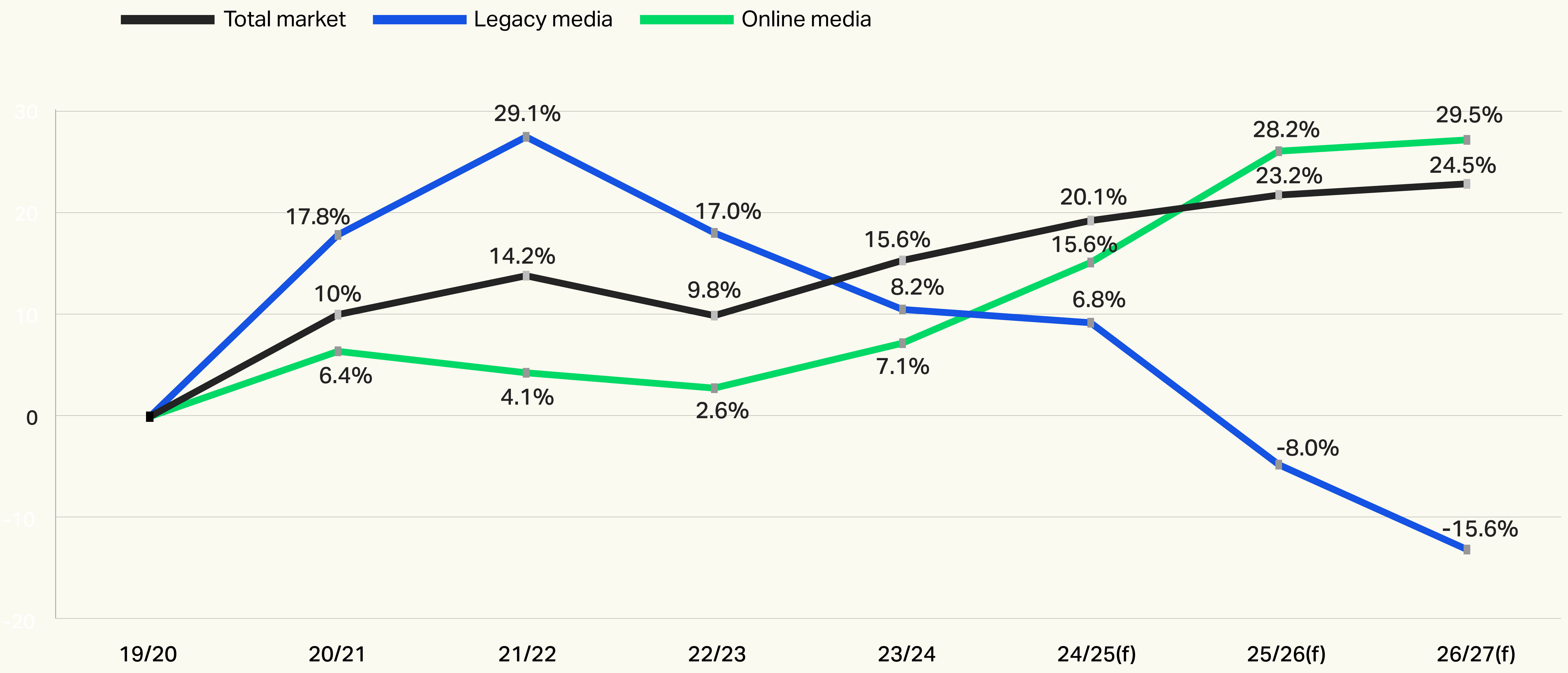
Real Growth in UK Gaming Market, 2019/20 – 2026/27(f)



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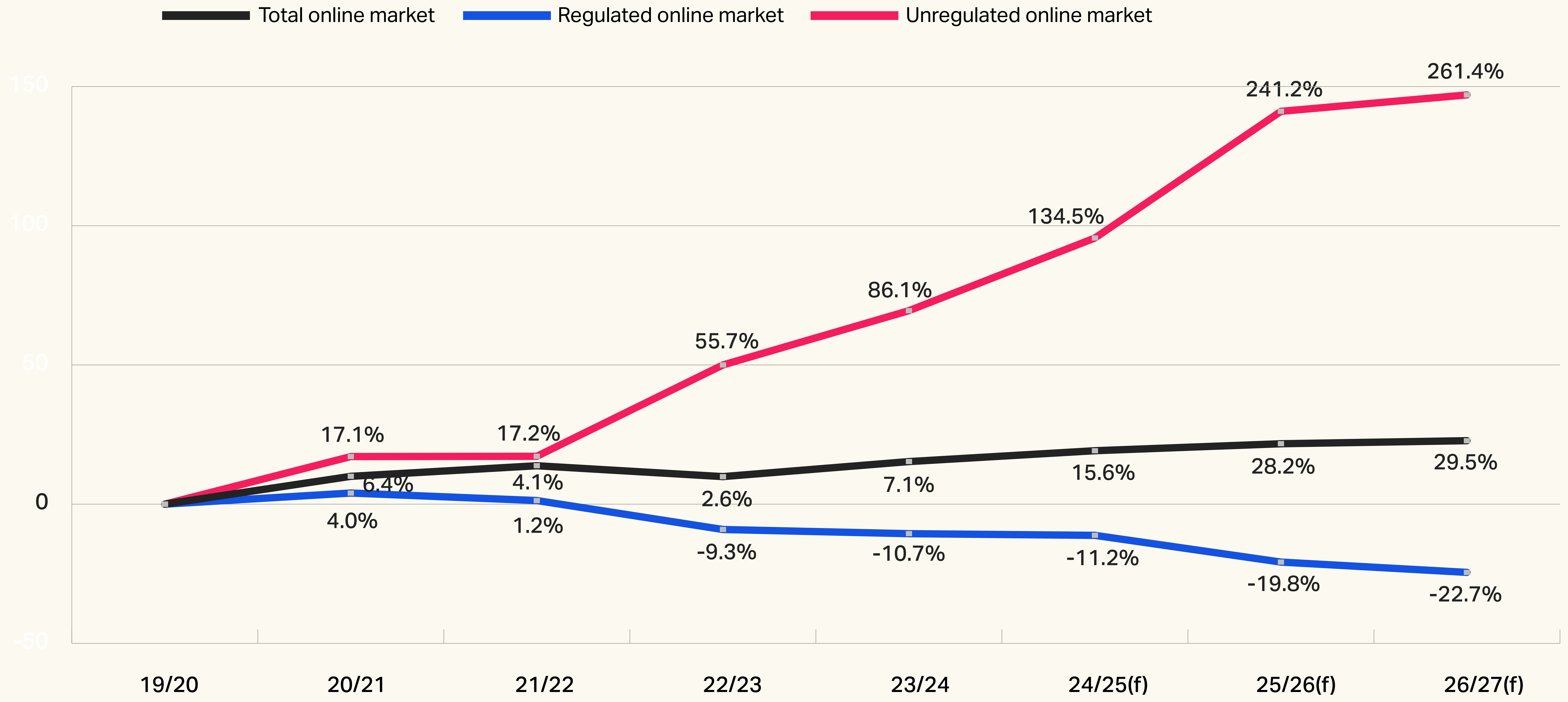
Real Growth in Online UK Gaming Market, 2019/20 – 2026/27(f)



Key commentary

Total gaming market

The projected advertising investment for the gambling sector this year

1.9bn

Monitoring by WARC, drawing on data from large operators in the regulated market, media owners, industry bodies and third-party research organisations, indicates that the gambling sector is projected to invest £1.9bn in advertising in the year to September 2026.

Among measured media channels, online display – including online video on platforms such as YouTube and programmatic display advertising – is expected to account for the largest share of display spend (44.1% – £525m), having surpassed television during the pandemic. Search advertising, including paid listings on platforms such as Google, represents the largest share of total spend (37.1% – £703m).

Overall, the sector is forecast to record a 5.4% increase in advertising spend compared with 2024/25 levels. This represents a slowdown relative to the previous year and remains well below the 9.4% growth forecast for the UK advertising market as a whole. Nevertheless, this would mark a sixth consecutive year of post-pandemic growth, with the market expanding by 62.9% (£732m) over this period.

Within display media, legacy channels – predominantly associated with regulated operators – are expected to decline sharply (-11.5%) following the introduction of new taxes on gambling profits. In contrast, online media, which includes a significant proportion of unregulated operators, is projected to grow by 14.0%, supported in part by increased activity during the men's FIFA World Cup.

Despite sustained growth, the gambling sector's share of total UK advertising expenditure has declined from 5.9% in 2019/20 to 4.1% in the current year, indicating that other sectors have expanded more rapidly. At a channel level, the sector maintains a relatively high share of online display (9.7%), although this has declined significantly from a pandemic peak of approximately 20%. The sector also contributes a notable, though decreasing, share of broadcaster revenues in television (5.1% in 2025/26) and radio (5.0%).

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Regulated market

Regulated market Advertising expenditure among regulated companies is expected to decline significantly (-9.2%, or £107m) to £1.05bn this year.

While the men's FIFA World Cup is likely to provide a modest uplift, this is expected to be more than offset by the introduction of new taxes, prompting firms to reduce advertising activity in order to preserve margins.

Reductions are anticipated across all media channels, with the most pronounced declines occurring in legacy media (-11.5%), which typically involve higher production costs, higher cost-per-thousand impressions (CPMs), and longer lead times. In aggregate, spend on legacy media is expected to fall by approximately £45m.

Online advertising expenditure among regulated firms is also forecast to decline by 7.1% (£33m), with reductions observed across video, social, and search formats.

As a result, regulated firms' share of total sector advertising spend continues to decrease. By the end of the forecast period, regulated operators are expected to account for just over half of total spend (52.3%), down from 83.8% during the pandemic. On the current trajectory, this share is projected to fall below 50% by October 2028.

Unregulated market

Advertising spend among unregulated companies is projected to increase by 32.0% to £845m this year, followed by a further rise of 10.6% to £934m in the subsequent year. On current trends, total spend is expected to exceed £1bn by 2028.

Most this activity occurs online, where regulatory constraints are less stringent. Advertising expenditure within this segment has more than doubled over the past three years, with particularly strong growth observed in social media channels.

Unregulated operators are projected to account for more than half of total market spend by 2028, with a significant proportion of this investment originating from overseas firms targeting UK consumers. This trend raises potential concerns regarding both consumer protection and the overall integrity of the sector.

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Sponsorship market

The inflection point seen at the total market level can also be observed within sponsorship, where the unregulated sector is set to account for more than half of spend as soon as 2026/27.

Total sponsorship spend within the gaming sector has grown steadily in recent years, rising from £158m in 2019/20 to a forecast value above £260m by 2026/27. However, this headline growth masks a divergence between segments: spend among regulated companies plateaued after peaking in 2021/22 and is now on course to decline over the coming years.

Conversely, spend among unregulated firms has accelerated sharply, more than tripling over the timeframe. Indeed, unregulated firms are set to account for all growth in sponsorship spend this year and next and will account for more than half of spend by October 2027. This, in turn, has a notable impact on the reach and salience of these unregulated companies in the mind of the UK consumer.

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Real Spend

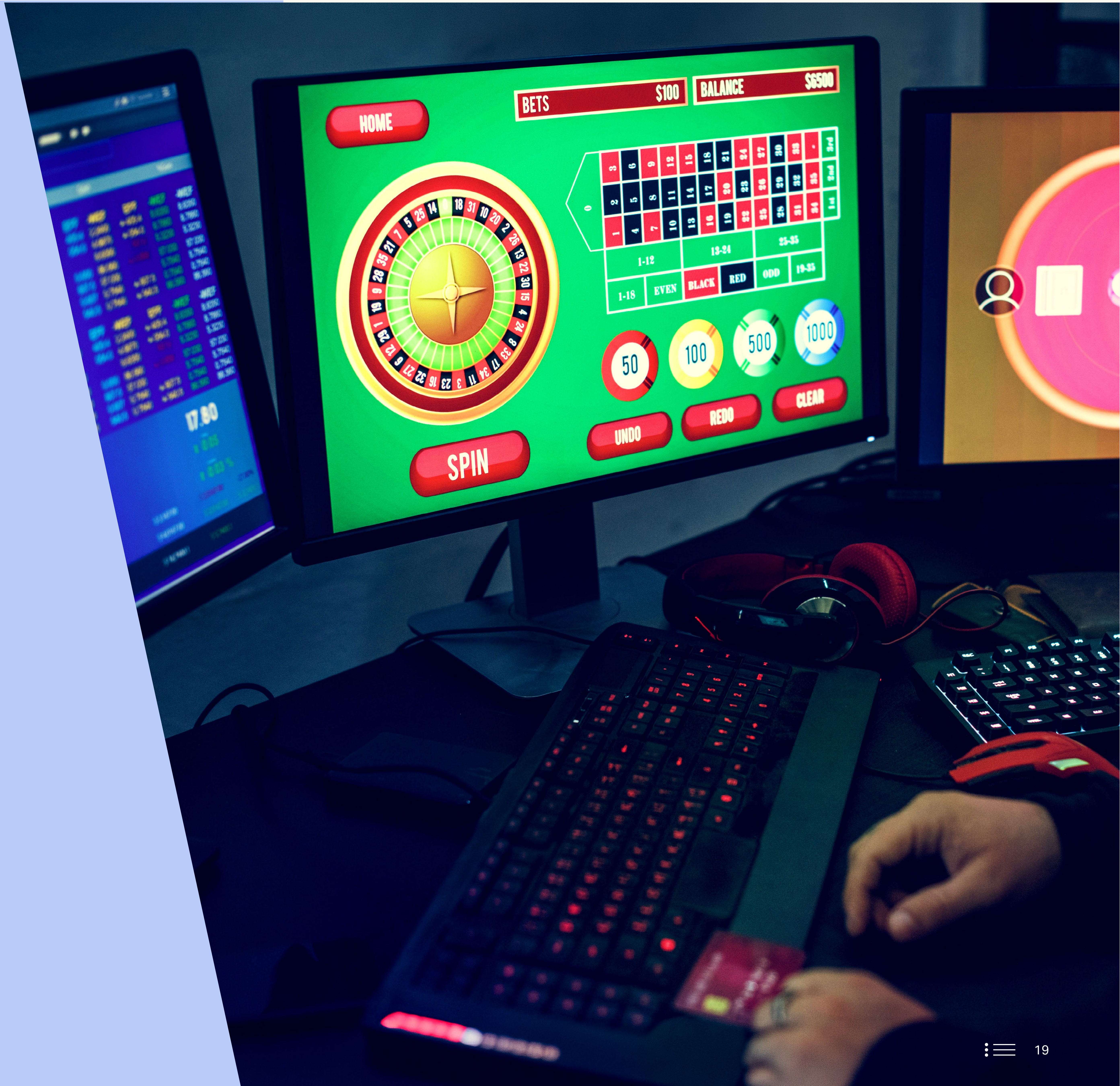
Real Spend when indexed to 2019/20 levels to account for inflation, the divergence between regulated and unregulated segments becomes more pronounced. In real terms, advertising spend by regulated companies is expected to decline by 11.7% to £795m this year, while spend by unregulated firms is projected to increase by 28.4%.

By the end of the forecast period (2026/27), real-terms expenditure by unregulated companies is expected to be 3.7 times higher than during the pandemic, whereas regulated firms' spend will have fallen by more than a fifth (-22.3%).

Overall, the gambling sector is expected to invest £1.4bn in advertising in real terms this year (excluding sponsorship), representing growth of 2.6%. This marks a slowdown compared to the previous year, despite additional stimulus from the FIFA World Cup.

Growth in online media is anticipated to be offset by significant declines in legacy media expenditure. Looking ahead, growth is forecast to moderate further to 1.1% next year, with total real-terms market expansion of 24.5% projected between 2019/20 and the end of the forecast period.

Methodology



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WARC's approach

The methodology combines multiple industry sources to estimate advertising expenditure across both legacy and digital media. For out-of-home (including perimeter advertising), radio and television, Nielsen Ad Intel's gross rate-card monitoring is balanced against WARC's net expenditure estimates, with WARC drawing on data supplied through the relevant industry bodies: Outsmart for out-of-home, Radiocentre for radio and Thinkbox for television. These net market estimates are then used as the primary benchmark against which large operator data is assessed. It is assumed that all legacy media operates within and is regulated under UK law.

For digital channels, including online display, social media and search, Nielsen Ad Intel's gross monitoring is similarly balanced with WARC's net online estimates derived from the IAB. These estimates are further supplemented by WARC's own web-scraping capabilities and cross-checked against trends in comparable international markets to improve the accuracy of spend estimates within each sector. The resulting market total is then used as the benchmark against which operator data is considered.

Sponsorship expenditure is estimated by WARC using publicly available information, third-party estimates and assessments of international markets, before being compared with reported data from the largest operators. Affiliate expenditure is estimated by WARC through a combination of IAB data, company reports and international market trends.

The total market estimate includes expenditure across sports gambling, offline casinos, online casinos, football pools, bingo, poker, scratch cards and tipsters, but excludes lotteries. All figures are presented net of discounts, include agency commission and exclude production costs. It excludes lotteries.

Within the analysis, "regulated" refers to operators licensed and monitored by the Gambling Commission, while "unregulated" refers to companies actively advertising to UK consumers that are not licensed by the Gambling Commission. "Nominal" expenditure refers to the amount spent before adjusting for inflation. "Real" expenditure has been adjusted using the Consumer Price Index, with October 2019 to September 2020 used as the base year.

Methodology breakdown

Medium	Sources	Methodology
OOH (incl. perimeter ads)	WARC, Outsmart, Nielsen Ad Intel	Nielsen gross rate-card monitoring is balanced with WARC's net OOH data, obtained from OOH companies via industry body Outsmart. The resulting market total is then used as the benchmark against which operator data is considered.
Radio	WARC, Radiocentre, Nielsen Ad Intel	Nielsen gross rate-card monitoring is balanced with WARC's net Radio data, obtained from Radio broadcasters via industry body Radiocentre. The resulting market total is then used as the benchmark against which operator data is considered.
TV	WARC, Thinkbox, Nielsen Ad Intel	Nielsen gross rate-card monitoring is balanced with WARC's net TV data, obtained from TV broadcasters via industry body Thinkbox. The resulting market total is then used as the benchmark against which operator data is considered.
Legacy media	**As above**	It is assumed that all legacy media is regulated in accordance with UK law.
Online display	WARC, IAB, Nielsen Ad Intel	Nielsen gross rate-card monitoring is balanced with WARC's net online data, obtained from industry body IAB. This is complimented by scraping data via WARC's in house capabilities, and is compared with trends across international markets to better triangulate spend within the sector. The resulting market total is then used as the benchmark against which operator data is considered.
Social media	WARC, IAB, Nielsen Ad Intel	Nielsen gross rate-card monitoring is balanced with WARC's net online data, obtained from industry body IAB. This is complimented by scraping data via WARC's in house capabilities, and is compared with trends across international markets to better triangulate spend within the sector. The resulting market total is then used as the benchmark against which operator data is considered.
Search	WARC, IAB, Nielsen Ad Intel	Nielsen gross rate-card monitoring is balanced with WARC's net online data, obtained from industry body IAB. This is complimented by scraping data via WARC's in house capabilities, and is compared with trends across international markets to better triangulate spend within the sector. The resulting market total is then used as the benchmark against which operator data is considered.
Sponsorship	Company reports, Media reports	Total market sizing is estimated by WARC using publically available information, third party estimates and assessment of international markets, before being compared with reported data from the largest operators.
Affiliate	Company reports, Media reports	Estimated by WARC through a combination of IAB data, international trends and company reports.
Total	**As above**	The total market estimate includes expenditure across sports gambling, offline casinos, online casinos, football pools, bingo, poker, scratch cards and tipsters, but excludes lotteries. All figures are presented net of discounts, include agency commission and exclude production costs. It excludes lotteries.
Regulated	**Operators**	Regulated refers to operators licensed and monitored by the Gambling Commission.
Unregulated	**As above**	Unregulated refers to all companies actively advertising to UK consumers that are not licenced by the Gambling Commission.
Nominal	**As above**	The amount spent, unadjusted for inflation.
Real	**As above, ONS**	Adjusted for inflation using the consumer price index. The base year is Oct 2019 – Sep 2020.

Who we are

WARC

The global authority on marketing effectiveness

For nearly 40 years, WARC has been powering the marketing segment by providing rigorous and unbiased evidence, expertise and guidance to make marketers more effective. Across several platforms – WARC Strategy, WARC Creative, WARC Media, – its services include 100,000+ case studies, best practice guides, research papers, special reports, advertising trend data, news and opinion articles, as well as awards, events and advisory services.

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