

# THE BIG BET

IN ONLY TWO YEARS, ONLINE BETTING HAS CHANGED THE FACE OF CANADIAN SPORTS, LIT UP GAMBLING ADDICTION HOTLINES AND SIPHONED BILLIONS OF DOLLARS FROM FANS TO INDUSTRY AND GOVERNMENTS. IT'S JUST GETTING STARTED.

BY ANTHONY MILTON

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WIN BIG

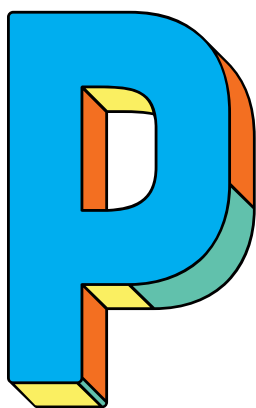
JOIN NOW

ODDS BOOSTED

START PLAYING







**PHIL STARTED STARTED BETTING ON SPORTS** when he was just 18. Back then, in the mid-'90s, the only legal way to do it was with a pen and a paper slip from Proline, the sports-betting game offered by the Ontario Lottery and Gaming Corporation. He filled out the slips at his corner store in London, Ontario. Phil says it never became a problem. (He agreed to speak with me if I used a pseudonym.) Instead, his finances fell apart for other reasons as he got older: vacations, overspending, a heavy drinking habit. Despite a full-time job as a sales representative for a food company, he fell deeper and deeper into debt and seemed to have no way to pay it off.

In 2022, he noticed that sports betting was everywhere.

That April, the province had launched iGaming Ontario, Canada's first provincially regulated marketplace for private-sector, online sports-betting platforms. Phil was a fantasy football fan and, suddenly, when he researched players and teams on TSN and other sites, his screen was covered with ads for betting platforms like FanDuel and DraftKings. His friends, with whom he'd dabbled in sports betting, were all switching to the apps. It was more exciting. They could bet not just on wins and losses but all sorts of in-game happenings: the number of touchdowns or goals, how many catches a specific player got, a coin flip. They could also bet on obscure sports, like Ping-Pong. Over the next few months, they devoted more of their time and money to betting.

Some of them were making money, too. Desperate to pay down his debts, Phil downloaded FanDuel, thinking he could put his fantasy football expertise to use. "I knew the stats, so I thought, 'I can't lose,'" he says. It seemed easy. He'd seen Instagram reels by sports-betting influencers who posted their wins (though never their losses). He'd watch them complete challenges, like turning \$10 into \$10,000 in 10 days.

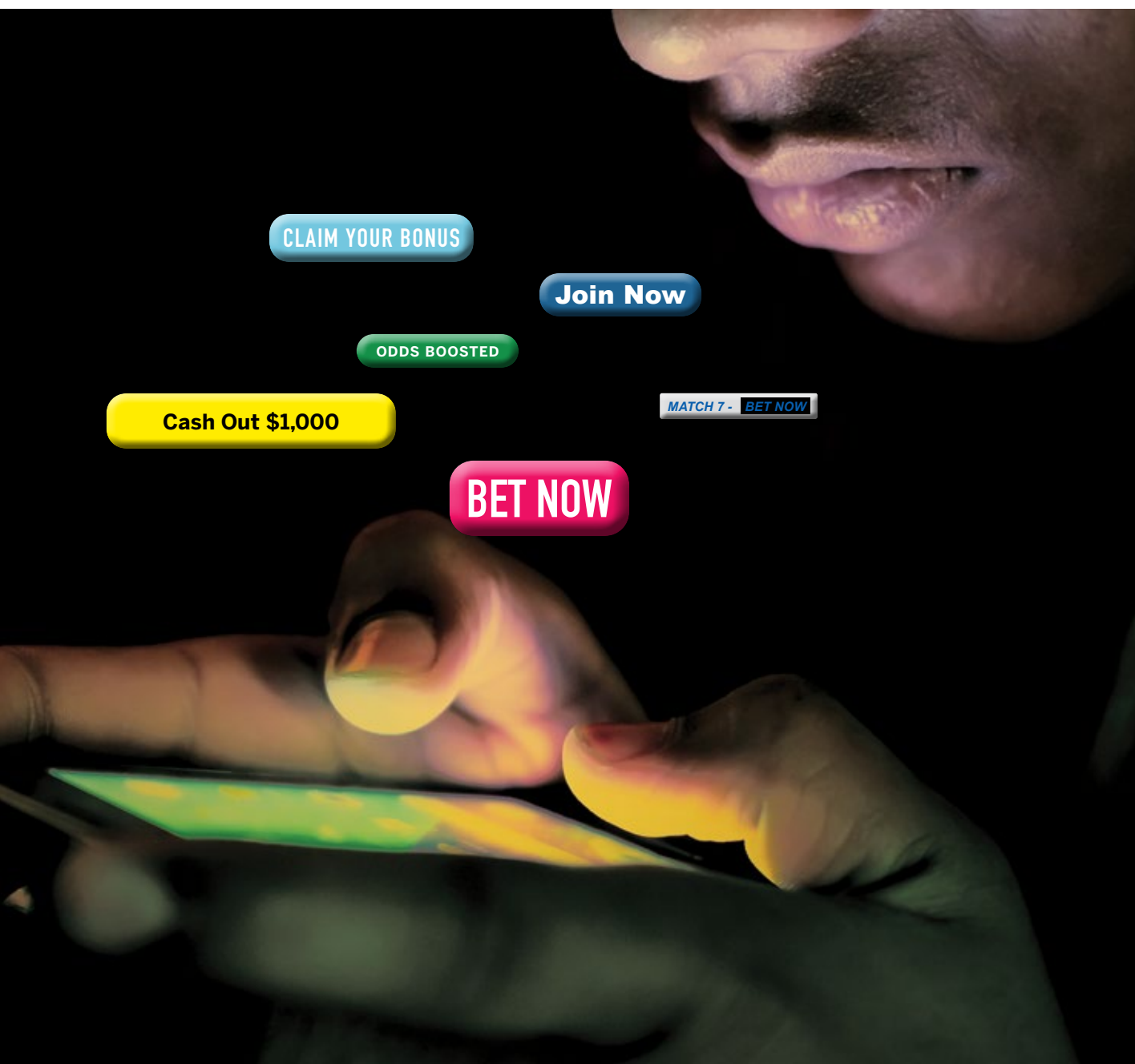
It didn't work. He kept losing money and, one day, he saw a tab at the bottom of the FanDuel app. It let him switch to casino mode, where the platform offered online versions of traditional casino games. There, he could see multiple roulette wheels all spinning at once. The enticement was too great to resist.

In September of 2023, Phil suffered a shoulder injury and went on a four-month paid leave from his job. Depressed, bored and \$30,000 in debt, he gambled more to try to climb out of the hole. He cleared out his savings and his RRSPs. He borrowed \$200 from a friend while waiting on a paycheck, swearing it was for bills. It wasn't—he gambled it away immediately. Phil paid his friend back, but lost their respect. He

missed a payment on his mortgage and began using his line of credit to gamble. He kept that from his girlfriend—it was their mutual safety net.

Every day he sat on his phone, squinting, eyes going blurry. Night after night, he felt a pit in his stomach as his grocery money vanished into his phone.

By the time Phil went back to work late last winter, his debts topped \$60,000. Unable to make ends meet with his day job, he picked up a side hustle cleaning AirBnBs six hours per week. Finally, this past June, he came across a Facebook



group for gambling addicts. He found it inspiring to read the stories from recovered gamblers.

He knew he had to stop, and entered into a consumer proposal: an agreement with his creditors that let him pay off his debts, in 60 monthly payments, interest-free. He's finally getting a handle on his problem—though he still places the occasional bet.

Phil is one of the countless Canadians who have been caught in the sudden explosion of online sports betting in the last two years. In 2021, the federal

government passed legislation paving the way for sports-betting apps to set up shop in Canada; in 2022, Ontario dove in with iGaming Ontario. In less than three years, the industry has become a multi-billion-dollar behemoth, swiftly changing the face of fandom in Canada, conquering leagues, franchises and sports media. The dozens of competitors now crowding Ontario's sports-betting marketplaces are leveraging AI, big data and digital surveillance to keep players entertained, engaged and ready to place the next bet.

Each of these companies is aiming to become part of the fabric of Canadian sport itself: to make gambling on a game as much a part of the experience as hot dogs and crackerjacks. Arguably, they already have. By the first quarter of this year, iGaming Ontario had nearly two million player accounts—almost one for every eight Ontarians. As their offerings proliferate, and as other provinces look to emulate Ontario's online sports-betting model, more and more people like Phil are being pulled into the vortex and getting stuck.

**BETTING IS ALL ABOUT** wish fulfillment and beating impossible odds, so it makes sense that the current boom was born in the make-believe world of fantasy sports. These are imaginary leagues in which players assemble teams using proxies of real-world players, whose statistical performances in actual games determine the fantasy winners and losers.

In 2006, the U.S. banned gambling businesses from accepting online bets, but it explicitly carved out an exception for fantasy sports, provided the fantasy team didn't replicate an existing team. In other words, the bets couldn't be based on the outcomes of actual games. The loophole gave rise to a thriving market. In 2009, a British entrepreneur named Nigel Eccles founded FanDuel, the first fantasy-sports betting platform. That was followed in 2011 by an American competitor, DraftKings, and then a slew of new upstarts, who attracted tens of millions of users between them. In 2018, fantasy became reality for U.S. sports fans when the government reversed course on its prohibition against online betting. States raced to set up sports-betting marketplaces, and the fantasy league giants swept in and dominated.

Canadians, however, were still stuck with provincially run lotteries like Proline. Unlike the online platforms, these only offered parlays: bets on multiple matches, where a bettor must correctly guess every outcome. They were also low-tech. Most gamblers went to bricks-and-mortar lotto booths to fill out a slip.

Yet Canada had nearly beaten the U.S. In 2013, Brian Masse, an NDP MP from Windsor, Ontario, sponsored a private member's bill intended to pave the way for single-event betting in Canada—wagers on individual games, which could be offered online. But it ran into opposition in the Senate, and sports leagues worried that betting on the outcome of individual games could lead to match fixing.

That changed after the U.S. legalized sports betting, which opened up a whole new grey market for Canadians. The Canadian Gaming Association, a gambling industry trade group, estimated that Canadians were spending \$10 billion a year on black-market betting offered through illegal bookies and another \$4 billion on grey-market operators, like the U.K.-based

bet365 and the Malta-based Betway. These and others like them were legitimate companies, but they were not regulated or taxed in Canada. (Both are now part of iGaming Ontario.) In 2021, Kevin Waugh, a Conservative MP from Saskatoon, introduced another bill intended to legalize the industry. He argued that the country was losing tax revenues that could go toward social programs, including addiction treatment. Waugh estimated that the industry was worth \$14 billion in untaxed revenues, though that figure has been contested.

The big sports leagues were also coming around. Studies in other jurisdictions had shown that online betting ramped up fans' engagement with sports, giving them

revenues reached \$162 million, from just over \$4 billion in wagers. By the end of the first year, quarterly revenues had hit \$526 million. Those figures grew by more than 50 per cent, on average, each quarter that followed. iGaming Ontario operators pay 20 per cent of their revenues to governments and, in its first year, they contributed \$761 million to the federal, provincial and municipal governments through taxation and revenue sharing. The next year, the figure was \$1.24 billion.

The grey-market platforms were first through the gate, already established in the minds and wallets of gamblers. They were joined by a slew of newcomers to Canadian bettors, such as theScore,

DESPERATE TO PAY DOWN HIS DEBTS, PHIL DOWNLOADED FANDUEL. "I KNEW THE STATS, SO I THOUGHT, 'I CAN'T LOSE,'" HE SAYS. HIS GAMBLING DEBTS QUICKLY TOPPED \$60,000.

real financial stakes in the outcomes. The NHL, NBA, MLB, CFL and Major League Soccer published a joint letter supporting Waugh's bill, arguing that it would provide a new way for fans to get into the game.

In February of 2021, the bill passed, with only 15 MPs voting against it. The path was clear for provinces to offer single-event betting through their own public lottery corporations and to create private-sector marketplaces. By early 2022, every province had authorized single-event betting, but only Ontario had thrown open the door open to private-sector players. iGaming Ontario launched in April of 2022, and it was an immediate hit. In its first quarter alone,

which made up 65 per cent of all betting app downloads in the province. Over the following weeks, other dominant players emerged, including bet365, BetMGM, FanDuel and DraftKings.

Right away, fans were bombarded with advertising for the new platforms. One analysis by CBC Marketplace and the University of Bristol found that sports viewers in Ontario spent an average of 22 per cent of each game looking at gambling ads in some form, with the vast majority plastered directly on the court, play surface or rink itself. In one Raptors-Bulls broadcast, nearly 40 per cent of the game had sports-betting ads somewhere in frame. Many early ad campaigns tapped

athletes and celebrities as spokespeople. There was Wayne Gretzky, his phone open to the BetMGM app. Edmonton Oilers centre Connor McDavid also shilled for BetMGM, and Maple Leafs centre Auston Matthews posed in ads wearing a Bet99 T-shirt. The deluge of advertising was met with immediate criticism. Even as Canadians were inundated by ads, other countries, including Britain, Spain and Belgium, were restricting them.

Existing sports media and franchises raced to get a piece of the action, and a series of shotgun marriages took place. PointsBet partnered with Ottawa's CFL team, the Redblacks, to plaster its logo on jerseys, merch and the team's home venue, TD Place. theScore got in bed with Rogers, becoming the official partner of the Toronto Blue Jays. FanDuel signed an agreement with BCE, Bell's parent company and the owner of TSN, to get its logo on air and introduce custom sports-betting content like "FanDuel Sunday," where FanDuel analysts discuss betting odds during broadcasts. Sportsnet featured "Wager Week" on radio and TV to coincide with the launch of the iGaming Ontario market. The avalanche of advertising and custom content wasn't confined to Ontario, either. Sports fans elsewhere in Canada, who did not have regulated access to Ontario's iGaming platforms, saw the ads too. The vice-president of Alberta's gaming commission warned that this could be illegal.

The rapid integration of sports media, franchises and betting operators was part of a long-term strategy for the gaming industry at large: to become an indispensable part of the sporting experience. theScore has been at the forefront of this movement. It was born in the '90s, when John Levy took over his father's cable company in Hamilton, Ontario, using it to launch a sports-ticker service providing game scores. In 1997 that became Headline Sports, a scrappy sports-news startup that competed with TSN and Sportsnet. After rebranding it The Score, Levy sold it to Rogers Media for \$172 million, which rebranded it again as Sportsnet 360. Levy kept the digital assets, though, and invested in the company's mobile news app. In 2018, when the U.S. legalized single-wager betting, it added theScore Bet.

**1.9 MILLION**  
THE NUMBER OF ACTIVE IGAMING  
ONTARIO PLAYER ACCOUNTS  
AS OF THIS JUNE—NEARLY ONE  
PLAYER FOR EVERY  
EIGHT ONTARIANS

**30**  
THE NUMBER OF SPORTS-  
BETTING PLATFORMS AVAILABLE  
ON IGAMING ONTARIO

**\$284**  
THE AVERAGE AMOUNT  
PLAYERS BET IN THE SPRING  
OF 2024 (VERSUS JUST \$113  
IN THE SPRING OF 2022)

**\$2.5 BILLION**  
THE TOTAL AMOUNT  
ONTARIANS BET ON ONLINE  
SPORTS FROM APRIL TO  
JUNE OF THIS YEAR

**3,537**  
THE NUMBER OF GAMBLING-  
RELATED ADS, DISCUSSIONS AND  
OTHER MESSAGING RESEARCHERS  
COUNTED DURING HOCKEY AND  
BASKETBALL BROADCASTS IN  
ONTARIO IN THE FALL OF 2023.  
THEY FOUND VIEWERS SPENT AN  
AVERAGE OF 22 PER CENT OF  
EACH GAME EXPOSED TO THEM.

In 2021, an American conglomerate called Penn National Gaming bought the company and, in June of 2022, it shut down The Score's U.S. betting operations, repurposing its betting software for a new acquisition, ESPN Bet. Its Canadian betting operations were unaffected. Information on market share isn't available, but industry observers estimate that alongside FanDuel, DraftKings and several others, it remains one of the dominant players in this country. Around the time iGaming launched in Ontario, then-COO Benjie Levy said of the province, "We think this is going to be one of the most, if not the most, lucrative iGaming jurisdictions in North America."

**GAMBLING IS ONE OF NIGEL TURNER'S** hobbies—his favourites are poker and blackjack. It's also his livelihood. Turner is a scientist at Toronto's Centre for Addiction and Mental Health, where he specializes in gambling research. From the moment iGaming Ontario launched, with the corresponding advertising blitz from betting platforms, he was worried. "These ads, especially the ones that were celebrity-endorsed, were a big concern for us," he says. "We're telling young males—a vulnerable population—that gambling is a great thing to do and showing them someone they admire saying that."

Young people were also targeted on another front: social media. Gen-Z consumers are skeptical of traditional media, but they're much more susceptible to influencers, who post and livestream their gambling to thousands of followers. One self-styled "professional sports bettor," Cole Claussen, shows off his Rolexes and fancy cars on his Instagram account, @colepicksofficial, guaranteeing his 27,000 followers winning plays—if they pay him \$99.99 for access to a team of "five full-time sports betting analysts" who guarantee success. Las Vegas-based Michael Osborne—better known as Big Bet Mike—runs an Instagram account booming with high-octane, all-caps braggadocio, where he boasts about his massive wins to his 51,000 followers. Others have formed partnerships with betting platforms: @6ix-bets is a Toronto-based Instagram account with 11,000 followers that offers a subscription consulting service promising winning bets. It partnered last year with BetUS, offering

promotions and sign-up bonuses. (Despite its name, BetUS is operated out of the Comoros, a sovereign archipelago off the coast of Madagascar.) The influencer economy is big: some platforms, like theScore, even have betting chatrooms where it's possible to track certain influencers and match their bets with your own.

In their presentation and messaging, flaunting wealth and easy money, sports-betting influencers are nearly indistinguishable from the “finfluencers” on Instagram and TikTok who peddle tricks, tips and courses to game stock markets. Those people tend to target young men who are drawn to the feeling of exerting mastery over a complicated system. That too, says Turner, offers enormous appeal for many young gamblers, who can imagine themselves as something like savvy securities traders, outsmarting the market with data-driven decisions. “You can pick your favourite teams, go through the statistics and try to figure out what team has the edge, so there’s a strong illusion of skill,” says Turner. “And that’s enough for men—the illusion.”

The gambling industry indulges the fantasy. One designer of theScore’s betting app has even acknowledged how its design resembles stock-trading platforms. Fans can track how their bets are performing the same way they’d monitor a financial portfolio. Thanks to its beginnings as a media company, theScore in particular is rich with data. Some of the stories it features are explicitly about betting odds. Others are more subtle: Pittsburgh Steelers quarterback Russell Wilson is suffering from tight calves. The New York Jets’ Aaron Rodgers is optimistic after tearing his Achilles last year. In the NBA, Devin Vassell might be All-Star material. On the surface, these are all simple sports stories. To the betting man, they’re material: money could ride on Wilson going down with an injury, Rodgers running long and Vassell breaking out.

Sports betting may be undermining gamblers’ financial well-being, and not just in the most obvious ways. A working paper published this summer by researchers at Brigham Young and Northwestern universities found that in U.S. counties with legalized online sports betting, stock-market investment declined by

about 14 per cent. People took cash they would have invested in stocks and put it into sports bets instead—not only draining their investment portfolios, but reducing wealth in other sectors of the economy. The research also shows that gamblers have greater credit card debt, more overdrawn bank accounts, lower credit scores and up to 30 per cent more bankruptcy filings. Financially strained households are the most affected by these trends.

The official line from companies is that betting is merely an amusement, and gamblers should go into it expecting to lose money in exchange for some excitement. BetMGM declares that gambling should be done “in the spirit of fun.” theScore’s “Responsible Gaming 101” web page is very clear, reading, “Don’t gamble to make money.”

The risks for addicts go beyond financial ruin. According to Nigel Turner, there are signs that problem gambling is on the rise in Ontario. As part of his work, Turner has analyzed the past several years of calls to Ontario’s problem-gambling helpline. In 2020, when the COVID pandemic shut down casinos, calls plunged, then gradually rose again. When iGaming Ontario launched in April of 2022, the exact opposite happened: calls jumped by about 30 per cent. They’ve climbed higher ever since. By January of 2023, half of all calls were about online gambling, and roughly one-third of those were related to sports betting. The demographics of the callers have changed, too, including more young people, especially young men. More than five per cent of all callers are now between 16 and 19 (the legal gambling age in Ontario is 18). About 30 per cent of people who meet the diagnostic criteria for problem gambling also have suicidal ideation.

There are multiple theories as to why some people can treat gambling as a diversion, while others end up remortgaging their homes. The addiction paradigm, which is most widely accepted, draws parallels between gambling addictions and substance-use disorders: in both, users disregard social obligations to feed their habit, follow their urges despite repeated negative consequences and experience withdrawal when they try to stop. Then there’s the gambler’s fallacy: that multiple losses must mean a win is coming, which

leads bettors to chase loss after loss, digging a shallow hole deeper and deeper. Recovery is hard and relapse is easy. “You can ruin months of treatment with one darned win,” says Turner. Every new payday reignites the dopamine rush and delusions of divine luck. The fact that these apps live on our phones—which most of us tote around all day, every day, and check at least semi-compulsively—makes it harder for problem gamblers to stay away.

One of the main techniques many addicts use is self-exclusion. The Ontario Lottery and Gaming Corporation operates a program called My PlayBreak. A gambler can register with it and get banned, at their own request, from any gambling venue they choose. One could seek to self-exclude from every casino in the province, for example. But Ontario’s self-exclusion program does not include online sports betting. Each platform is an island, and a gambler would have to self-exclude separately on all 82 websites currently licensed by iGaming Ontario to avoid temptation.

The betting sites also have a winning tactic to keep gamblers coming back: free money. After ads bring the customers in, a whole swath of tricks kick into place to keep them there, including deposit matching, payout boosts and free credits. In the industry, they call this retention. Whenever Phil backs off, he can count on a text promising him a credit. This brings him back to the flashing light, keeps him connected. He wishes it would stop. “Imagine someone going for sobriety being given a free drink,” he says. “It should be illegal to give money to gamblers.”

**THE TRICKS AND TECHNIQUES** the gambling industry employs are becoming more sophisticated by the day. Algorithms can already tell operators when a player is on a losing streak and wants to spend more to seek a win. That kind of personalization goes into advertising as well. Operators are looking at how to make use of these systems to deliver tailored promotions, communications and credits to players who just need a little push to get back into the game.

New technology will increase what gamblers can bet on. Since the days of fantasy football, advances in sports analytics have created a treasure trove of data covering



all the minutiae of any game: free throws, player injuries, baseball velocities. New artificial intelligence platforms can track passes, corners and goal kicks in soccer, all from a single video clip, producing performance reports for each player on the fly. Big-data techniques can work out the odds of any piece of the action happening again. A British company called Sportradar, which works with betting platforms, can even predict soccer goals moments before they occur. For sports-betting operators, all this data is of incredible value: if something can be measured, it can be bet against. The next frontier may be biometric scanning. Soon, one may be able to bet on a player's heart rate.

agency devoted to research into problem gambling. That funding was cut entirely in 2019, and the government said it was redirecting the funding to treating problem gamblers directly.

Predictably, there's been backlash to the industry's explosive growth. In the winter of 2023, former Olympic runner Bruce Kidd wrote an op-ed in the *Globe and Mail* expressing dismay about the barrage of ads during sports broadcasts and concern that they were targeting children. After publishing the piece, he was flooded by supportive emails and calls, including one from former Toronto mayor John Sewell. They formed Ban Ads for Gambling, which has since attracted the support of such

anyone has come. It passed second reading in May of 2024, and the bill will likely go to the House of Commons this fall. So far, however, no MP or party seems willing to take up the cause and run with it. This is not surprising: the industry contributed \$2.7 billion to Ontario's GDP in its second year, from April of 2023 to April of 2024. It contributed more than \$790 million in tax revenue provincially and \$380 million federally. Other provinces are now ready to follow Ontario's lead.

In June, Canada's gaming-industry elite gathered at the Metro Toronto Convention Centre for their annual meetup, the Canadian Gaming Summit. The exhibition floor featured exhibits from various providers, which gave the space the feel of a mini casino: one area had futuristic slot machines, whose high, curving screens loomed over people's heads; another station featured poker and blackjack. Every now and then, the day's speeches would be interrupted by shouts of joy, someone winning big. On the final day, Ontario Attorney General Doug Downey delivered a speech lauding the new industry for its economic contributions and for undermining the grey-market gambling that preceded legalization. The Ontario approach they had worked on together, he said, was a model for North America.

He then ceded the stage to Dale Nally, Alberta's minister of Service Alberta and red tape reduction. Nally promised that Alberta was keen to replicate Ontario's iGaming regime and crack the monopoly held by the public sector, just as Ontario had. "Thank you for making my job so easy," he said. "We love the gambling ads. But we don't like the disclaimer 'Ontario only.'"

The last time I spoke to Phil, he told me that he's mostly stopped betting. He's optimistic that one day he'll find it easier to resist the temptation of the apps, just as an alcoholic can eventually pass a bar or a liquor store without feeling compelled to walk through the door. He is worried about his two sons, though, especially his youngest, who is only 20. "He started gambling a while ago, just a little to start," he says. "But now he has a full-time job, and I know he's doing it more. I told him, 'You have to be careful.' But I can't stop him. He's legal." ■

THE RISKS FOR ADDICTS GO BEYOND FINANCIAL RUIN. ABOUT 30 PER CENT OF PEOPLE WHO MEET THE DIAGNOSTIC CRITERIA FOR PROBLEM GAMBLING ALSO HAVE SUICIDAL IDEATION.

As the industry innovates, treatment risks falling behind. Daniela Lobo is an assistant professor of psychiatry at the University of Toronto and a staff psychiatrist at CAMH. Historically, she says, CAMH and other treatment providers in Ontario worked closely with Ontario Lottery and Gaming to address problem gambling. When iGaming Ontario was set up, she says, the safeguards employed by the OLG were not applied. iGaming claims to be applying responsible practices, but the experts can't be sure. Ontario also used to be the one province that funded consistent research into gambling addiction, including \$2.5 million annually for Gambling and Research Exchange Ontario, an

Canadian luminaries as children's singer Raffi and writer John Ralston Saul.

In response to the blowback, Ontario announced in the summer of 2023 that it would ban ads featuring celebrities, a prohibition that took effect this February. For Kidd, that's not enough. His group won the ears of two sympathetic senators, Marty Deacon and Brent Cotter, who in June of 2023 jointly introduced Bill-S269, which would push Parliament to regulate gambling ads, promote research about minors involved in harmful gambling activities and set national standards for preventing gambling addiction. A tangle of regulatory and political hurdles stops the bill from outright banning the ads, but to date it's the closest