
ONLINE BETTING AS A GATEWAY TO ECONOMIC CRIMES - YOUTH PERCEPTIONS

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ABSTRACT:

The rapid growth of online betting platforms in India has raised serious concerns regarding their role in facilitating economic crimes such as fraud, money laundering, and tax evasion. This study examines online betting as a gateway to economic crime by analysing youth perceptions, betting behaviour, financial risk indicators, and the effectiveness of the Promotion and Regulation of Online Gaming Act, 2025. Adopting a non-doctrinal empirical research methodology, primary data was collected from 50 respondents using a structured questionnaire. The findings reveal widespread participation in online betting, low levels of legal and financial awareness, frequent use of digital payment systems, concealment of transactions, and the presence of loss-chasing behaviour. A significant proportion of respondents reported personal experiences of fraud and financial deception, reinforcing the real economic risks associated with online betting. The study further highlights limited public awareness and perceived ineffectiveness of the 2025 Act in controlling betting-related economic crimes, particularly due to weak enforcement and continued access to illegal platforms. The research concludes that online betting poses a substantial threat to financial integrity and emphasises the need for stronger regulatory enforcement, enhanced auditing and anti-money laundering mechanisms, and targeted public awareness initiatives to effectively address online betting as a gateway to economic crime.

Keywords: Online Betting, Economic Crime, Youth Perception, Digital Payments, Promotion and Regulation of Online Gaming Act, 2025.

INTRODUCTION:

During the past decade, online gaming has witnessed unprecedented global growth due to increased digital penetration, the availability of affordable smartphones, high-speed internet, and seamless digital payment systems. The sector offers a wide range of experiences, including casual gaming, competitive e-sports, and skill-based gaming. The COVID-19 pandemic acted as a major catalyst for this growth, as lockdowns and social distancing compelled people—particularly the youth—to seek digital modes of entertainment and social connection. By 2024, India alone accounted for over 488 million online gamers, making it one of the fastest-growing online gaming markets globally. Within this ecosystem, online betting and real-money gaming (RMG) emerged as a distinct category that combines gaming with monetary stakes, attracting users through promises of easy profits, quick payouts, and competitive excitement based on games involving skill, chance, or both.

The rapid growth of real-money gaming (RMG) alongside online gaming has raised serious social and economic concerns in India and globally. It is associated with excessive gambling, financial losses, fraud, debt, and significant psychological distress affecting individuals and families. Inadequate safeguards allow online betting platforms to promote compulsive gambling, disproportionately impacting vulnerable groups such as students, young adults, and low-income users. Aggressive marketing and psychologically manipulative game designs further encourage excessive spending and behavioural dependency, while algorithm-driven engagement has been linked to anxiety, depression, sleep disorders, and social isolation. India's gambling regulation remains fragmented due to colonial-era laws and divergent state approaches. At the international level, the World Health Organization (WHO) has recognised gaming disorder as a mental health condition associated with significant distress and functional impairment. In India, multiple reports indicate massive engagement with illegal online gambling platforms, with offshore sites recording billions of visits annually and increasingly targeting vulnerable youth, many of whom report stress, addictive behaviours, and negative psychological outcomes.

In response to these growing concerns, the Indian Parliament enacted the Promotion and Regulation of Online Gaming Act, 2025, marking a significant shift in India's digital regulatory framework. Following its enactment, the government has undertaken extensive enforcement actions, including blocking over 240 illegal betting websites and restricting access to nearly

8,000 platforms. Agencies such as the Enforcement Directorate have also initiated proceedings against illegal operators, resulting in the freezing of assets worth hundreds of crores of rupees in cases involving fraud and money laundering.

Despite these legislative and enforcement measures, online betting continues to remain widespread among Indian youth. This persistence can be attributed to factors such as the availability of offshore platforms beyond Indian jurisdiction, aggressive social media marketing, peer influence, psychologically addictive game mechanics, and the illusion of quick financial gains and social status. These factors collectively reveal a significant gap between legal prohibition and social practice.

Understanding youth perceptions of online betting is therefore crucial, as young people represent the largest and most vulnerable user group, characterised by high digital exposure, financial aspirations, peer influence, and limited awareness of legal and economic consequences. Many youths do not perceive online betting as gambling or an economic offence, instead viewing it as legitimate entertainment or a means of quick income. This research examines how such perceptions shape participation in online betting and how they contribute to its role as a gateway to broader economic crimes. By analysing youth attitudes and experiences, the study seeks to explain the continued growth of online betting despite regulatory intervention and to assess whether legal measures alone are sufficient to address the underlying social, economic, and behavioural drivers of this phenomenon.

REVIEW OF LITERATURE:-

Veera M in his paper titled 'Legal Aspects of Betting and Gambling in India' critically analysed India's betting and gambling framework, focusing on the Public Gambling Act, 1867, and its inadequacy in addressing online platforms. The study highlights ambiguity between "games of skill" and "games of chance," which allows digital betting platforms to exploit legal loopholes, and notes the lack of uniformity in state gambling laws. It also discusses judicial efforts to modernise gambling law interpretation. However, the work remains largely doctrinal and does not empirically examine user financial behaviour, youth vulnerability, or the role of online betting in economic crimes. Consequently, while it offers a strong legal foundation, it does not assess online betting as a gateway to economic crime.

Krishna and Balaji in their book titled 'The Legal Landscape of Online Gambling: Cyber Law

and Regulatory Challenges' examined online gambling from a cyber law perspective, highlighting challenges such as anonymity, encryption, cross-border operations, and offshore servers used to evade Indian regulation. The study identifies enforcement weaknesses under the Information Technology Act, 2000, and difficulties in monitoring online transactions, while also addressing ethical and cybersecurity risks. Although it offers valuable insights into regulatory and technological loopholes, it does not analyse the financial or psychological impact on users. The paper lacks empirical assessment of youth participation, behavioural risks, and connections between cyber vulnerabilities and economic crimes such as fraud or money laundering, and excludes banking compliance perspectives.

Yadav in his book titled as 'Analysis of Consumer Protection Laws Pertaining to Online Gambling Games in India' examined online gambling through a consumer protection lens, addressing misleading advertisements, unfair trade practices, and weak grievance redressal under the Consumer Protection Act, 2019. The study highlights regulatory gaps and power imbalances between platforms and users. However, it treats gambling harm mainly as a consumer dispute and does not explore broader economic crimes such as money laundering or tax evasion. The paper also lacks analysis of youth behaviour, financial misconduct indicators, and banking surveillance, limiting its relevance to online betting as an economic crime.

Singh in work titled as 'Gambling in India: A Study from the Perspective of Law and Economy' examined gambling in India from legal and economic perspectives, analysing its impact on household finances, the informal economy, revenue generation, employment, and social costs. The study recognises gambling as an economic activity and briefly notes risks of financial instability from illegal gambling. However, it predates the rapid expansion of online betting and digital payments and does not address mobile-based platforms. The paper lacks empirical data on youth engagement and does not examine economic crimes such as fraud, money laundering, or banking misuse, limiting its relevance to contemporary online betting risks.

Taya in his paper titled as 'Betting, Match Fixing and Online Gambling in India with Special Reference to Cricket' examines sports betting, particularly cricket, highlighting match-fixing, corruption, and the involvement of organised crime networks, and demonstrates how betting can lead to structured economic offences. The study underscores the impact of betting scandals on sports integrity. However, its focus is limited to organised sports betting and does not address app-based or casual online betting among youth. It lacks behavioural, psychological,

banking, and digital payment analysis, limiting its relevance to youth-centric online betting as a gateway crime.

Mittal in his work titled as 'Law of Online Gaming in India' analyses India's online gaming regulatory framework, focusing on licensing, compliance, penalties, and intermediary obligations. While legally authoritative and useful for understanding regulatory intent, the book is largely statutory in nature. It does not examine social or economic impacts, youth participation, or financial crimes such as money laundering and fraud, nor does it address AML or behavioural risk indicators.

RESEARCH GAP:-

Most existing studies on real-money gaming and online sports betting focus on youth behaviour, addiction, and psychological impacts, largely examining the period prior to the Promotion and Regulation of Online Gaming Act, 2025. While these studies highlight significant social and mental health concerns, there remains a clear research gap on the link between online betting and economic crimes such as fraud, money laundering, and financial exploitation. This study addresses that gap by analysing youth perceptions, legal awareness, and continued participation in online sports betting after the statutory ban. By applying an economic crime framework, it examines how youth involvement persists despite legislative intervention.

STATEMENT OF THE PROBLEM:-

This research paper speaks about how continued youth participation in online betting contributes to its role as a gateway to economic crime, despite the legal prohibition of online sports betting in India and regarding its role as a gateway to economic crime, thereby questioning the effectiveness of existing legislative interventions.

OBJECTIVES:-

1. To assess the level of legal awareness among youth regarding the prohibition of online sports betting in India.
2. To examine youth perceptions and attitudes towards online sports betting after its legal ban.

3. To analyse the reasons for continued participation of youth in online sports betting despite legislative intervention.

RESEARCH METHODOLOGY:-

This research uses a non-doctrinal (empirical) methodology to examine online betting as a gateway to economic crime, focusing on youth perceptions and legal awareness. Primary data were collected from 50 respondents via a structured Google Forms questionnaire on participation, perceived links to fraud and financial loss, and awareness of India’s online gaming regulations. The data were analysed to identify trends in behaviour, risk perception, and regulatory awareness. This approach provides a ground-level understanding of how online betting persists despite legislative intervention.

RESULT AND DISCUSSION:-

TABLE 1

DEMOGRAPHIC INFORMATION

STATEMENT	PARAMETERS	NO. OF RESPONDENTS	PERCENTAGE
Age	18 - 21	14	28
	22 - 25	18	36
	25 - 30	13	26
	Above 30 years	5	10
	Total	50	100
Gender	Male	15	30
	Female	0	0
	Prefer not to say	35	70
	Total	50	100

Educational background	Undergraduate	20	40
	Postgraduate	10	20
	School dropout	20	40
	Total	50	100

Source: Primary data

The majority of respondents are aged 22–25 years (36%), followed by 18–21 years (28%), 25–30 years (26%), and over 30 years (10%), indicating a focus on youth and young adults. Regarding gender, 70% preferred not to disclose, 30% identified as male, and none as female, suggesting privacy concerns around the sensitive topic. Educationally, 40% are undergraduates, 40% school dropouts, and 20% postgraduates, reflecting varied educational backgrounds and potential vulnerability due to limited financial literacy. Overall, the data highlight that online betting engagement and perceptions span diverse age and education groups, underscoring the need for targeted awareness and regulatory measures

TABLE 2

AWARENESS AND PERCEPTION

STATEMENT	PARAMETERS	NUMBER OF RESPONDENTS	PERCENTAGE
awareness on online betting is illegal and banned in India	Yes	18	36
	Not sure	21	42
	No	11	22
	Total	50	100
Opinion about Online betting	Entertainment	19	38
	Easy income source	11	22
	Financial Risk	13	26

	Illegal activity	7	14
	Total	50	100
Awareness that online betting winnings are taxable.	Yes	14%	28
	No	36%	72
	Total	50	100

Source: Primary data

Most respondents are aged 18–25 (64%), with 26% aged 25–30 and 10% above 30, highlighting youth representation. Seventy percent did not disclose gender, 30% identified as male, indicating privacy concerns. Educationally, 40% are undergraduates, 40% school dropouts, and 20% postgraduates, suggesting varied backgrounds and potential vulnerability. The data show online betting engagement spans diverse age and education groups, underscoring the need for targeted awareness and regulation.

TABLE 3

BETTING BEHAVIOUR

STATEMENT	PARAMETERS	NUMBER OF RESPONDENTS	PERCENTAGE
Participation in online betting	Yes	35	70
	No	15	30
	Total	50	100
Engagement in online betting	Rarely	15	30
	Occasionally	13	26
	Frequently	7	14
	Not applicable	15	30

	Total	50	100
Average monthly spending on online betting	Less than Rs.1000	17	34
	Rs.1000 - Rs.5000	12	24
	Above Rs.5000	6	12
	Not applicable	15	30
	Total	50	100
Source of funds used for betting	Pocket money	18	36
	Personal Income	10	20
	Borrowed funds	5	10
	Credit/Loan apps	2	4
	Not applicable	15	30
	Total	50	100

Source: Primary data

The data show that 70% of respondents have participated in online betting, with 26% occasional, 14% frequent, and 30% rare or no engagement. Monthly expenditure is mostly under ₹1,000 (34%), though 36% spend moderate to high amounts, indicating potential financial stress. Funding sources include pocket money (36%), personal income (20%), borrowed funds (10%), and credit/loans (4%), highlighting risky financial behaviour. These findings demonstrate that online betting is widespread, financially embedded, and may serve as a gateway to economic crime and financial vulnerability.

TABLE 4

BANKING AND PAYMENT PRACTICES (AUDITING FOCUS)

STATEMENT	PARAMETERS	NUMBER OF RESPONDENTS	PERCENTAGE
Payment methods used for online betting	UPI	22	44
	Debit or credit card	13	26
	E - Wallets	10	20
	Crypto currency	4	8
	Not applicable	15	30
	Total	50	100
Usage multiple bank accounts or wallets for betting	Yes	14	28
	No	21	42
	Not applicable	15	30
	Total	50	100
Ever concealed betting related transactions from family	Yes	35	70
	No	0	0
	Not applicable	15	30
	Total	50	100

Source: Primary data

UPI is the most used payment method for online betting (44%), followed by cards (26%), e-wallets (20%), and cryptocurrency (8%), highlighting ease and anonymity in transactions. About 28% of respondents use multiple accounts or wallets, suggesting attempts to manage or conceal betting transactions, a red flag for audits and anti-money laundering. Notably, 70%

admitted concealing betting-related transactions from family, indicating financial opacity, social stigma, and heightened risk of misconduct or escalation into broader economic crimes.

TABLE 5

RISK INDICATORS AND BEHAVIOURAL IMPACT

STATEMENT	PARAMETERS	NUMBER OF RESPONDENTS	PERCENTAGE
Experience in financial stress due to betting losses	Yes	20	40
	No	15	30
	Not applicable	15	30
	Total	50	100
Attempt to recover losses by betting more	Yes	18	36
	No	17	34
	Not applicable	15	30
	Total	50	100
Illegal means to recover betting losses	Yes	9	18
	Not sure	12	24
	No	14	28
	Not applicable	15	30
	Total	50	100

Source: Primary data

The data show that 40% of respondents experienced financial stress from betting losses, while 30% did not and 30% were non-participants. About 36% admitted to chasing losses by betting more, indicating high behavioural risk. When asked about using illegal means to recover losses,

18% were willing and 24% uncertain, reflecting moral and legal ambiguity. These findings highlight the adverse economic impact of online betting and its potential role as a gateway to financial misconduct and broader economic crimes.

TABLE 6

AWARENESS OF ECONOMIC CRIME LINKAGES

STATEMENT	PARAMETERS	NUMBER OF RESPONDENTS	PERCENTAGE
Online betting can lead to	Money laundering	34	68
	Fraud	29	58
	Tax evasion	27	54
	None of the above	6	12
	Total	50	100
Opinion on banks and auditors must monitor betting-related transactions	Strongly agree	21	42
	Agree	16	32
	Neutral	7	14
	Disagree	4	8
	Strongly disagree	2	4
	Total	50	100
Have you ever personally experienced any form of fraud or financial deception?	Yes	23	46
	No	27	54
	Total	50	100
If yes, what type of issue did you	Non payment or delay of winnings	14	28

encounter?	Sudden account suspension or app shutdown	9	18
	Manipulated game outcomes or unfair algorithms	11	22
	Fake or duplicate betting apps	7	14
	Unauthorized deductions from bank or wallet	12	24
	Total	50	100

Source: Primary data

The data show high awareness of economic crime risks, with 68% linking online betting to money laundering, 58% to fraud, and 54% to tax evasion, while only 12% saw no risk. A total of 74% support active monitoring by banks and auditors, reflecting public recognition of regulatory oversight. About 46% reported personal encounters with betting-related fraud, including non-payment of winnings (28%), unauthorized deductions (24%), manipulated game outcomes (22%), account suspensions (18%), and fake apps (14%). These findings highlight both perceived and real financial risks associated with online betting.

TABLE 8

PROMOTION AND REGULATION OF ONLINE GAMING ACT, 2025

STATEMENT	PARAMETERS	NUMBER OF RESPONDENTS	PERCENTAGE
Have you ever reported or attempted to report a betting related to fraud to:	Bank	7	14
	Cyber Crime Portal	4	8
	Police	2	4

	Platform support	9	18
	Did not report	28	56
	Total	50	100
What is your level of awareness regarding the objectives and key provisions of the Promotion and Regulation of Online Gaming Act, 2025 enacted in India?	High	4	8
	Moderate	9	18
	Low	17	34
	Not aware at all	20	40
	Total	50	100
In your opinion, to what extent has the Promotion and Regulation of Online Gaming Act, 2025 been effective in controlling online betting-related economic crimes such as fraud, money laundering, or illegal financial transactions?	Highly effective	3	6
	Moderately effective	8	16
	Slightly effective	14	28
	Not effective at all	25	50
	Total	50	100
Do you believe that regulatory measures under the Promotion and Regulation of Online Gaming Act, 2025 have influenced user behaviour, particularly among youth, in terms of reducing participation in online betting activities?	Significant reduction	6	12
	Slight reduction	11	22
	No reduction	18	36
	Increased via illegal platforms	15	30
	Total	50	100
According to you, what is the most significant limitation	Weak enforcement and monitoring mechanisms	19	38

of the Promotion and Regulation of Online Gaming Act, 2025 in addressing online betting as a gateway to economic crime?	Lack of public awareness about the law	14	28
	Continued access to offshore or illegal betting platforms	11	22
	Inadequate coordination between regulatory and financial authorities	6	12
	Total	50	100

Source: Primary data

The data show that 56% of respondents did not report betting-related fraud, with only 18% contacting platform support, 14% their bank, 8% using the cybercrime portal, and 4% approaching the police, indicating low confidence in reporting mechanisms. Awareness of the Promotion and Regulation of Online Gaming Act, 2025, is limited: 8% high, 18% moderate, 34% low, and 40% unaware. Half of respondents view the Act as ineffective, and 36% observed no reduction in youth betting, while 30% report increased activity via illegal or offshore platforms. Key limitations include weak enforcement (38%), low public awareness (28%), offshore access (22%), and poor coordination between authorities (12%).

FINDINGS:-

1. Online betting is prevalent among youth, indicating easy accessibility and normalization of betting activities despite its illegality in India.
2. Most respondents lack knowledge of the illegality of online betting, the taxability of winnings, and provisions of the Promotion and Regulation of Online Gaming Act, 2025.
3. Betting is largely seen as entertainment or easy income, leading to casual engagement. Behavioural indicators such as recurring expenditure, reliance on borrowed funds or credit, and loss-chasing highlight early financial risk and economic vulnerability.
4. Extensive use of UPI, cards, e-wallets, occasional cryptocurrency, multiple accounts, and concealment of transactions raise auditing and anti-money laundering concerns.

Many respondents reported financial stress and personal experiences of fraud, including non-payment of winnings, unauthorized deductions, manipulated outcomes, and fake platforms.

5. Respondents acknowledge links between online betting and economic crimes (fraud, money laundering, tax evasion) and support enhanced monitoring by banks and auditors. However, weak enforcement, low public awareness, and continued access to illegal platforms limit the effectiveness of the 2025 Act in preventing betting as a gateway to economic crime.

LIMITATIONS OF THE STUDY:-

The questionnaire was circulated only within Chennai, limiting the geographical representativeness of the findings. The sample size of 50 respondents may not adequately reflect the views of the broader population. The study is based on self-reported data, which may be affected by response bias or underreporting due to the sensitive nature of online betting. Data was collected through Google Forms, restricting in-depth qualitative insights and verification of responses. Awareness of the online betting regulatory framework in India is still evolving, which may have influenced the accuracy of respondents' legal understanding.

SUGGESTIONS:-

1. Government agencies must conduct sustained awareness campaigns especially for youth
2. Regulators should enhance enforcement through real-time monitoring, stricter licensing, mandatory compliance audits.
3. Banks, payment providers, and auditors must apply enhanced due diligence and coordinate closely with regulators and enforcement agencies.
4. Simple reporting mechanisms should be established with counselling and financial literacy programs for youth.
5. Continuous monitoring of UPI, e-wallets and inter-agency coordination to address enforcement gaps.

CONCLUSION:-

The present study critically examines online betting as a gateway to economic crime through an empirical analysis of youth perceptions, behavioural patterns, and risk indicators. The findings clearly demonstrate that online betting is not merely a recreational activity but a significant contributor to financial stress, fraud, money laundering risks, and tax non-compliance. Widespread participation, low legal awareness, concealment of transactions, and loss-chasing behaviour collectively point toward an increased likelihood of economic misconduct. Despite the enactment of the Promotion and Regulation of Online Gaming Act, 2025, the study reveals substantial gaps in public awareness, enforcement effectiveness, and institutional coordination. The continued access to illegal and offshore betting platforms further undermines the regulatory framework. Without robust enforcement, proactive auditing oversight, and comprehensive public education, legislative measures alone may prove insufficient in curbing online betting-related economic crimes. Therefore, a multi-dimensional approach involving stricter regulation, enhanced auditing mechanisms, financial institution vigilance, and targeted public awareness initiatives is essential. Addressing online betting as an economic crime risk rather than a mere gaming issue is crucial for safeguarding financial integrity, protecting vulnerable populations, and ensuring the effectiveness of India's regulatory and auditing framework.

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