

OpenVoiceNews U.K.

Transparent. Unbiased. Yours.

Gambling Industry Hit by £4bn Market Loss Amid Tax Rise Concerns

August 9, 2025

– Categories: Finance



Britain's largest gambling companies saw more than £4 billion wiped off their market value on Friday, as investors reacted to growing fears of a tax hike in the upcoming Budget.

Shares in Flutter Entertainment, the owner of Paddy Power, and Entain, which operates Ladbrokes and Coral, fell sharply following reports that Chancellor Rachel Reeves is preparing to target the sector to help close a significant gap in public finances. William Hill's parent company, Evoke, also suffered a notable fall in value.

Reports suggest that a tax increase on gambling is now viewed as almost certain as Ms Reeves faces a projected £50 billion shortfall in the economy. Evoke lost around £23 million in share value, Entain dropped by about £37 million, and Flutter, which now trades in New York rather than London, shed over \$5.7 billion (£4.2 billion).

Tax Pressure

The push for higher gambling taxes has intensified after former Labour chancellor Gordon Brown called for a tougher approach to fund measures tackling child poverty. Mr Brown said: “We now know that taxing gambling more fairly would fully fund the first crucial step in the war we must wage against child poverty: ending the two-child limit and lifting the benefit cap.”

His comments drew on research from the Institute for Public Policy Research (IPPR) think tank, which estimated the government could raise up to £3.2 billion by reforming gambling taxation. The IPPR recommended focusing any increases on the most profitable areas of the industry, such as online casinos, slot machines, and high-stakes betting.

Rachel Reeves is under pressure to secure additional revenue streams amid weak economic growth and a slowing jobs market. The National Institute of Economic and Social Research (NIESR) has warned that the Chancellor could miss borrowing targets by £41.2 billion and may need to raise taxes or cut spending by more than £50 billion to preserve her fiscal position.

The gambling sector has warned that higher taxes could drive customers towards unregulated markets and damage the industry’s contribution to the economy. Flutter chief executive Peter Jackson said: “Flutter is already one of the largest taxpayers in the UK, paying nearly £750m in taxes in 2024. Raising taxes is not straightforward, and we have operational experience around the world whereby if you continue to push tax rates up, you actually see a reduction in the tax take. This is the case in the Netherlands, for example, where the government is facing a €200m (£173m) shortfall. From our perspective, it’s important that we keep customers in the regulated market, where there is significant investment in safer gambling and player protection.”

A Betting and Gaming Council (BGC) spokesperson rejected the IPPR proposals, saying: “These proposals are economically reckless, factually misleading, and risk driving huge

numbers to the growing, unsafe, unregulated gambling black market, which doesn't protect consumers and contributes zero tax.”

A YouGov poll of 6,153 people this week found that 42 percent strongly supported higher taxes on online gambling, while 28 percent somewhat supported them. Eight percent were somewhat opposed, another eight percent strongly opposed, and 15 percent were unsure.

The Treasury declined to comment. Evoke and Entain also declined to address their share price losses.