



DIGITAL MEDIA & ELECTRONIC COMMUNICATIONS

AI and gambling, the regulatory gap is growing

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Artificial intelligence (AI) is ubiquitous, and the gambling and betting sector is no exception. AI is increasingly embedded in gambling and betting products and platforms. The question is not whether to engage with AI, but how to develop, deploy, use and regulate it effectively and responsibly. The policy and regulatory choices made now will influence whether AI is ultimately used to protect consumers or to exploit them.

For gambling operators, AI presents significant opportunities, from processing live information and developing advertising campaigns to creating new features, applications and games. But it also introduces regulatory challenges and risks. AI could support player safety, but it also has the potential to intensify harmful gambling behaviours.

Algorithms allow operators to understand player behaviour and preferences with growing precision. This enables tailored content, services and advertising, while potentially improving the player experience, reducing choice overload, improving stickiness and reducing churn.

AI can also be a powerful responsible-gaming tool, particularly online. Several studies have used player-tracking data and machine-learning models to predict problem gambling using behavioural and monetary indicators. The results have been promising and can inform targeted interventions, including personalised approaches to problem gambling.

Research in France illustrates how this can work. In 2015 and 2016, the French National Gambling Authority, then known as ARJEL, now ANJ, partnered with researchers to develop an online gambling harm-detection system using demographic and behavioural data. The resulting machine-learning models proved highly effective at classifying people by risk level, demonstrating how such research can inform harm-reduction strategies for online gambling.

AI remains an imperfect and developing technology. A key challenge is whether AI systems treat people fairly. AI can perpetuate and exaggerate human biases and inequities, including those based on socio-demographic characteristics. It can hallucinate. Its performance can change over time because of "drift". It can also simply get things wrong.

AI raises distinct concerns in the gambling context. For example, research has found that large language models repeatedly made irrational, high-risk betting decisions in simulated gambling environments. Because AI systems learn from human-generated data, they can inherit cognitive distortions such as the gambler's fallacy.

All of this creates a challenge for regulators. South African gambling legislation was drafted for a bricks-and-mortar world. South Africa does have laws protecting consumers in areas including data protection, consumer protection, competition, copyright and cyber law. But it does not yet have AI-specific laws of general application.

Internationally, different approaches are beginning to emerge. The EU AI Act establishes a risk-based classification framework for AI systems. It does not single out gambling, but AI systems used in gambling that fall within high- or limited-risk categories will trigger obligations.

The UK has adopted a cross-sectoral, principles-based approach rather than a single horizontal AI Act. Individual sector regulators, such as the UK Gambling Commission, must apply AI governance principles within their respective domains.

Malta is particularly proactive on this issue. Following consultations earlier this year, on 18 September 2026 the Malta Gaming Authority launched its AI Gaming Charter. The Charter is a sector-specific framework promoting the ethical and responsible use of AI across gaming platforms. It provides a voluntary, principles-based framework to support the responsible, transparent and proportionate use of AI across gaming operations, and practical guidance tailored to the realities of the gaming sector.

In line with the risk-based approach adopted in the EU, the Charter applies a risk-based approach, in which the level of documentation, testing, governance, transparency, human oversight and monitoring applied to an AI system should reflect the nature of the use case and its potential impact on players, player rights, gaming integrity, or regulated outcomes.

The Charter sets out the following principles, which are mapped to the EU AI Act and GDPR, and which are intended to respond directly to the practices, gaps and emerging risks observed across the gaming sector:

- Transparency, accountability and explainability
- Fairness and non-discrimination
- Environmental sustainability
- Data protection, security and governance
- Human oversight and responsibility
- Reliability, safety and robustness
- Compliance, monitoring and AI governance
- Reporting and metrics
- Notification requirements
- Involvement of the Malta Gaming Authority and the Malta Digital Innovation Authority

Existing gambling laws in South Africa and across Africa were not designed for AI. The regulatory gap is real and growing, and the faster AI develops, the harder that gap will be to close.



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