

# Britain's highest paid CEO built fortune on online gambling

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Years of preying on the despair of millions of workers have enabled Denise Coates, the CEO of the online gambling site Bet365, to not only become Britain's most well-paid boss, but also the highest paid businesswoman in the world.

Last year, Coates raked in an obscene £265 million, up from £199 million the year before, based on salary and perks, nearly 10,000 times more than the average UK salary.

The company, a privately-owned business based on sports betting, poker, casino games, and bingo, also paid out £90 million in dividends to its shareholders, of which fully £80.7 million went to Coates and her family. Coates' brother John and father Peter are also directors at the company.

Even before she received the £265 million, Coates and her family were one of Britain's richest with an estimated "worth" of £5.8 billion, according to the *Sunday Times'* rich list, which ranks them at 21st. Coates has a personal fortune estimated at around £4.6 billion.

Those gambling on the site wagered £47 billion in the year ending March 2018, generating revenues of £2.9 billion for the company, up 28 percent on the previous year, and a massive £661 million profit—an eye-watering 20 percent profit margin.

The Conservative-Liberal Democrat government of David Cameron appointed Coates a Commander of the Most Excellent Order of the British Empire (CBE) for services to the community and business in 2012. There could be no more fitting indictment of the parasitism of British capitalism than to commend someone who has grown rich by impoverishing millions for services to "the community."

Coates' parents and grandparents were bookmakers. Her innovation in 2000 was to spot the potential of

online gambling, purchasing the domain name Bet365.com for £1,950—an indication that her business was not going to be limited to normal business hours. Today, some 70 percent of the firm's income is derived from betting placed on phones and tablets, much of it overseas—particularly China—rather than in betting shops.

Gambling revenues are overwhelmingly based upon the exploitation of the poor as well as those on the threshold of poverty, for whom the dream of winning provides a means of escaping a world of constant nagging worry over how to make ends meet, horrendous journeys to work and then being exploited in low-wage jobs by highly paid bosses.

General statistics for gambling, including online betting, show that just under half the UK's population (48 percent) participate. After this, breakdowns focus on gender and age, rather than income and social class. However, betting shops are most likely to be found in Britain's poorest communities, with the east London borough of Newham hosting 86 shops, including 18 on one high street, each with their permitted maximum of four fixed-odds betting terminals (FOBTs) that can take £100 bets every 20 seconds. This contrasts with 56 in the south-west London borough that has a similar population but is considerably wealthier.

The scale of the punters' losses and the bookies' revenues is colossal. Just five £10 stakes on a game of digital roulette vanish within minutes, yielding £32, a sum equal to four hours work at the minimum wage of £7.50 an hour. No wonder the bookmakers generated some £1.8 billion in profits from FOBTs last year.

Last year's report by the Gambling Commission, the industry's tame regulator, estimates there are now two million people in the UK who have problems with gambling or are at risk of addiction, making them prone

to running up large debts, damaging their relationships, succumbing to depression and even killing themselves. Of these, some 430,000 were addicts, with 25,000 under 16 years of age.

Addiction had increased among those playing the FOBTs, with around 11.5 percent of people using the machines believed to be problem gamblers, up from 7.2 percent in 2012. The Commission found that the rate in online casino and slots gaming, one of the fastest-growing forms of gambling, was 10.6 percent.

The betting industry has done much to stoke this addiction with massive advertising campaigns. According to the *Guardian's* research, viewers were exposed to almost 90 minutes of betting adverts during last summer's World Cup.

Such has been the public concern over the scale of gambling addiction and the devastating effect it has had on gamblers and their families that the government has reluctantly agreed to limit the maximum stake on a FOBT to £2 (down from £100), as from next April.

Bet365's business practices have not been without controversy.

In 2009, Coates' brother Peter—who is also a director of the company and has donated hundreds of thousands of pounds to the Labour Party over the years—made a particularly generous gift around the time when the Labour government did much to liberalise Britain's gambling legislation, including lifting restraints on the opening of betting shops on the high street and the ban on television advertising.

According to the *Guardian*, in 2014 the company had been taking bets from Chinese citizens by using obscure and frequently changing domain names to avoid a government ban on online gambling by operators based in China.

In 2016, the Australian authorities fined Bet365 AUD\$2.75 million for advertisements that falsely promised “free bets” to customers, when in fact new customers had to deposit and then gamble \$200 of their own money before they could receive their \$200 free bet.

Gambling is an unhealthy industry that emphasizes social inequality, acting as a cash nexus, transforming everyone and everything into a commodity. Its growth provides yet another example of social decay, a parasitic enterprise that appeals to the worst instincts: greed, individualism and indifference. Such diseased

enterprises are the norm today, with governments embracing gambling at the same time as profits of the banks and other financial institutions have become ever more reliant on forms of speculation, divorced from the creation of social wealth, such as trading in currency futures.

The Labour government lifted restrictions on the betting industry in 2008, while it was the Conservative government that established the National Lottery in 1994 as a weekly national punt—normalizing betting as an activity and a hidden form of taxation on the poor not the rich. While around 53 percent goes to the prize fund and 25 percent to “good causes” as determined by Parliament, 12 percent goes to the government as lottery duty, currently worth £1.7 billion. This and the various gambling taxes bring in some £12.6 billion.

No amount of controls and regulations can rectify this situation because the processes that gave rise to it are no longer peripheral but central to the functioning of the capitalist economy. Today, the political task is not a futile attempt to reform the present social order, but rather its complete transformation. The needs of working people—the producers of all wealth—are subordinate to the ever-more frenzied process of profit accumulation for the benefit of the enriched few. Living conditions for the majority have become intolerable. Society must be reorganised along socialist lines, so that the accumulation of wealth is subordinated to the needs and requirements of its producers and users, controlled and regulated by them.



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