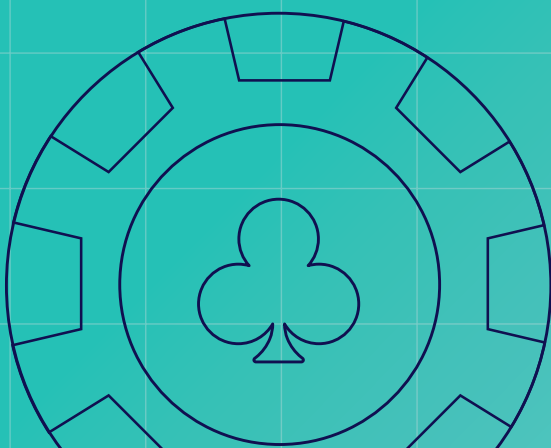
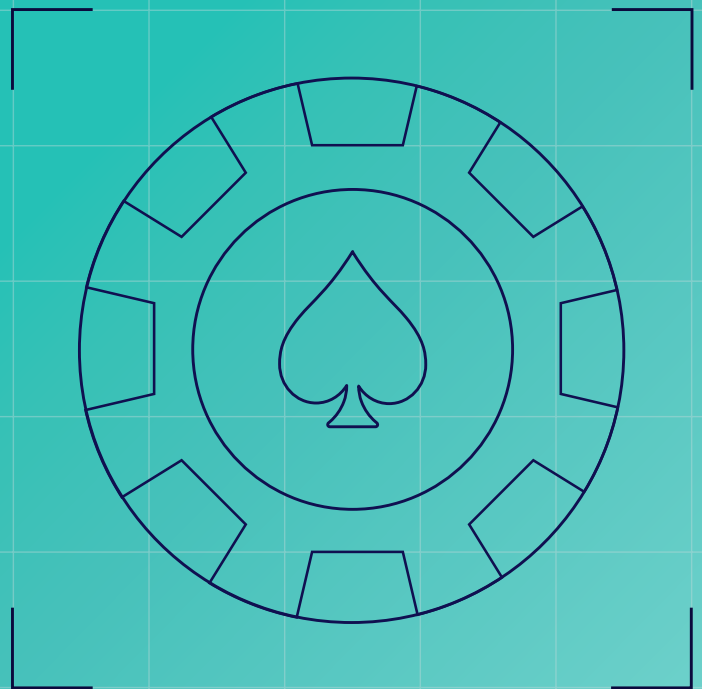
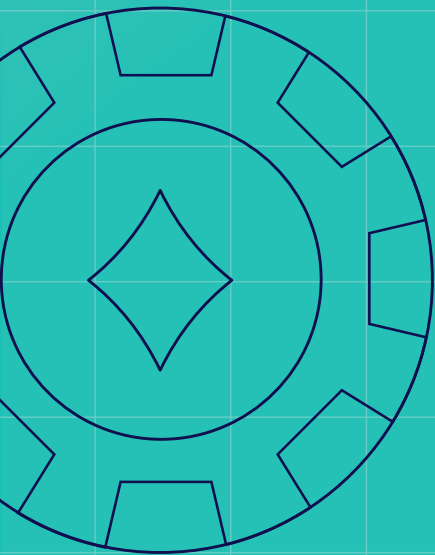


# Making Intent Obvious: Detect & Prevent Bonus Abuse in iGaming

YOUR FIRST LINE OF DEFENSE  
AGAINST ONLINE FRAUD

[INFO@SEON.IO](mailto:INFO@SEON.IO)

[WWW.SEON.IO](http://WWW.SEON.IO)



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How will the valuation of the global iGaming market change in the following years?

\$95 billion

\$370 billion

2024

2032

## See Through Fraudsters' Actions with SEON

The world of online gambling is witnessing a surge, drawing in billions of individuals who engage in various forms of betting each year. In **2023 alone, over 4.2 billion people were reported to have placed at least one bet** – highlighting the immense scale and reach of the industry.<sup>1</sup> The trend is set to continue, with projections suggesting that the global iGaming market will reach a valuation of \$370 billion by 2032, up from \$95 billion this year.<sup>2</sup> Such exponential growth not only illustrates the burgeoning appeal and **accessibility of iGaming but also underscores a pressing challenge that the industry faces: bonus abuse.**

As operators vie for the attention and loyalty of players through enticing bonuses and promotions, a parallel rise in bonus abuse threatens to undermine the integrity and financial health of operator's platforms. This guide is designed to provide a comprehensive overview of bonus abuse – its mechanisms, impacts and most importantly, strategies and best practices that can be employed to combat this pervasive issue. By understanding the nuances of bonus abuse and implementing effective countermeasures, stakeholders across the industry can safeguard their interests and ensure a fair, transparent and enjoyable gaming experience for all participants.

<sup>1</sup> <https://gamblingindustrynews.com/global-gambling-statistics/#18>

<sup>2</sup> <https://www.gminsights.com/industry-analysis/online-gambling-market>

# A Look at the iGaming Bonus Market

Bonus strategies are finely tuned to cater to diverse market segments and player demographics. Different facets of the industry, such as sports betting, online casinos and poker platforms, devise distinct bonus offerings to appeal to their unique audiences, considering factors like player behavior and market competition. Geographically, the approach to bonuses can vary significantly and is often influenced by local regulations, cultural preferences and economic conditions. This segmentation allows operators to maximize the impact of their promotional strategies, ensuring they resonate with targeted players while adhering to the regulatory frameworks of different regions.

The evolution of technology is playing a pivotal role in shaping bonus strategies within the iGaming sector. **Data analytics and machine learning advances empower operators to tailor bonus offers to individual player preferences, drive player acquisition and enhance engagement and loyalty.** These technological tools enable a more personalized gaming experience and help operators optimize the return on investment of their bonus campaigns. As the industry progresses, understanding these intricate dynamics and leveraging technology will be crucial for operators to maintain a competitive edge, foster player loyalty and navigate the complexities of the market.

When looking at the costs of bonus programs, profitable tier 1 operators spend up to 18% of their gross revenue on bonuses to attract new customers. Lower-level tier 2 operators, who lack the budget or local licensing required for advertisements, are almost entirely reliant on bonuses and affiliate programs – with affiliate marketing accounting for 25% of their gross revenue expenditure and bonus programs running an additional 25 to 45% of spend. **From these numbers, it's clear that bonuses are integral to launching, growing and maintaining a successful iGaming operation in today's online landscape.**

# 18%

of their gross revenue is spent on bonuses to attract new customers by tier 1 operators

# 25%

of their gross revenue is spent on bonuses to attract new customers by tier 2 operators

# What is Bonus Abuse?

Bonus abuse, often referred to in the context of online gaming or gambling, is the **practice in which individuals exploit promotional offers intended for new users and provided by platforms to gain unfair advantages or profits**. It is a sophisticated form of fraud that leverages vulnerabilities in operators' processes that enable the exploitation of promotional incentives designed for new players. This unethical behavior, also known as promo abuse, multi-accounting or bonus hunting, targets various bonus offers, extra funds, sign-ups, free spins, no-deposit bonuses and other incentives designed to attract new users or reward loyal customers.

Bonus abusers manipulate these promotions through strategies like **creating multiple accounts, collaborating with others or employing betting patterns that minimize risk while maximizing the benefit from these bonuses**. Such activities violate the terms and conditions of the platforms and can lead to account suspension, forfeiture of winnings, and, in some cases, legal action. In essence, bonus abuse undermines the intended spirit of promotional offers, creating an uneven playing field and potentially causing financial and reputational damage to the service providers.

## How Bonus Abuse Fraud Works

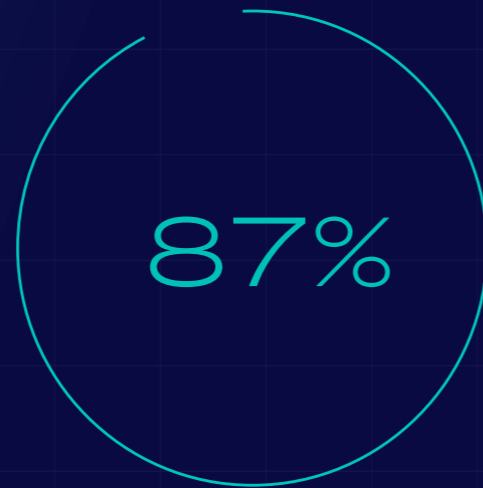
Fraudsters often create multiple fake identities to repeatedly claim bonuses intended for first-time users or engage in practices such as multi-accounting and using advanced technologies like VPNs or Tor browsers to conceal their activities, making it challenging for operators to track and stop them.

While the methods of bonus abuse vary, including strategies like arbitrage betting, cross betting, bonus hunting and chip dumping, all of them threaten the financial stability of gaming platforms and the fairness of the industry. Central to the issue lies inadequate online identity verification processes that fail to detect signs of fraudulent activities, allowing abusers to exploit these systems repeatedly.

Operators are countering this threat with stringent terms and conditions, keen surveillance of player activities and adherence to strict regulatory standards, as well as implementing complex bonus terms, conducting rigorous monitoring for unusual sign-up and cash-out patterns and performing thorough Know Your Customer (KYC) checks to prevent bonus abuse better but also to maintain the industry's integrity and trust of genuine players.



92%  
of bonus abusers have never been involved in a data breach



87%  
of bonus abusers use a free email provider



77%  
of bonus abusers do not have any social media presence attached to their email address



70%  
of bonus abusers use a proxy to access operator websites

## Seven Types of Popular Bonus Offers

Bonus offerings are a standard strategy operators use to attract and retain players. Here are the top seven types of bonus offerings that are often targeted:



- **Sign-Up Bonuses:** These bonuses are offered to new players when they create an account. To claim this bonus multiple times, fraudsters create numerous fake accounts, a practice otherwise known as bonus hunting or bonus whoring.
- **No-Deposit Bonuses:** As these bonuses don't require players to make a deposit to claim them, they are attractive for fraudsters. Individuals might create several accounts to claim bonuses repeatedly without ever intending to engage with the platform legitimately.
- **Deposit Match Bonuses:** These bonuses match a player's deposit up to a certain percentage, offering them more funds. Fraudsters might use stolen credit card information to make deposits and claim the matched funds, putting the operator at risk of chargeback fraud.
- **Free Spin Bonuses:** Offered as a set number of free spins on slot games, these bonuses can be exploited by players creating multiple accounts or by using bots to maximize winnings without genuine play.
- **Refer-a-Friend Bonuses:** These bonuses reward players for bringing new players to the platform. Fraudsters might exploit this by referring to fictitious players or using stolen identities to create new accounts.

- **Loyalty Bonuses**<sup>3</sup>: Loyalty programs reward players for their continued play and deposits. However, players could abuse this by using schemes to minimize losses while maximizing points or rewards – sometimes through coordinated play or multiple accounts.
- **High-Roller Bonuses:** These bonuses target players willing to make large deposits. Abusers might use these offers to launder money by depositing large sums and withdrawing them after minimal play, often across multiple accounts.

## Solutions to Detect & Prevent Bonus Abuse

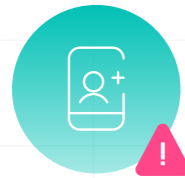
A major problem for iGaming operators, bonus abuse costs an average of 15% of annual gross revenues<sup>4</sup>. To combat this, operators must implement stringent verification processes, monitor player behavior and use anti-fraud technologies to detect and prevent these forms of abuse.

- **Leverage Digital Footprint Analysis** - Analyze users' digital footprints to detect patterns consistent with bonus abuse, such as VPNs, proxies or Tor networks, indicating potential evasion attempts.
- **Tap into Device Intelligence** - Apply device intelligence to identify and block users from creating multiple accounts from the same device or using known or suspicious device setups.
- **Monitor User Behavior** - Analyzing patterns of sign-ups, deposits and withdrawals helps identify deviations from legitimate behavior. Velocity rules enhance this by flagging unusual transaction frequencies or amounts, allowing operators to swiftly detect and prevent potential bonus abuse.
- **Implement Advanced Identity Verification** - Robust identity verification processes, such as documents, biometrics and proof of liveness, can deter fraudsters by requiring more complex and precise steps to prevent multiple account creations and ensure each user is unique and legitimate before signing up or cashing out.
- **Introduce Dynamic Friction** - Introduce variable levels of Know Your Customer (KYC) checks based on risk assessment with higher-risk activities or behaviors triggering additional verification steps.
- **Use Data Analytics and Machine Learning** - Utilize data analytics and blackbox and whitebox machine learning algorithms to identify patterns and trends associated with bonus abuse, improving detection over time as the system learns from new data.

<sup>3</sup> <https://seon.io/resources/webinars/5-tips-to-reduce-bonus-abuse-in-igaming/>

<sup>4</sup> <https://www.intergameonline.com/views/a-tale-of-woe-betting-gaming-and-bonus-abuse>

## Solutions to Detect & Prevent Bonus Abuse



**Digital Footprint Analysis**  
0 social accounts found



**Device Intelligence**  
Irregular device usage patterns, VPN usage



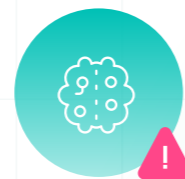
**Behavioral Analysis**  
Deviations in withdrawal, login activities



**ID Verification**  
No legitimate documents, discrepancies in biometrics



**KYC Checks**  
Personal information (location, age) does not match



**Machine Learning**  
Patterns associated with bonus abuse detected

## Empowering Operators: Advanced Strategies

Operators must adopt cutting-edge strategies to counteract bonus abuse, ensuring a secure and fair environment for players. Utilizing advanced analytics and machine learning, operators can detect and preempt fraudulent activities by identifying patterns indicative of abuse. Industry collaboration can further enhance these efforts, creating a robust defense against fraud by sharing insights and best practices.

Equally vital is educating players about the risks and signs of bonus abuse, turning them into informed participants who can aid in detecting suspicious activities.

Operators can promote a healthy gaming ecosystem by integrating technological solutions, fostering industry cooperation and enhancing player awareness.

## Stop Up to 80% More Bonus Abuse

SEON delivers a competitive edge in fraud prevention and risk mitigation by leveraging real-time AI-driven insights from its rules-based machine learning engine. Our platform is expertly crafted to tackle bonus abuse without sacrificing player experience. Uncover connections indicative of multi-accounting, utilizing insights from players' digital footprints combined with behavioral patterns and device intelligence to stop suspicious accounts.

Whether stemming from opportunistic customers or sophisticated fraud rings, SEON runs device fingerprinting, IP and email and phone lookups, and taps other signals to extract as much metadata as possible about the individuals trying to sign for bonus offers. All gathered data undergoes rigorous analysis and is fed through a customizable risk-scoring engine designed to deliver actionable insights to keep operators ahead of the game.

iGaming operator **Betflag** eliminated bonus abuse & multi-accounting by up to 90%

*"The data provided by SEON has been instrumental in identifying our genuine customers while detecting and preventing bonus abusers. It's been especially crucial for us, identifying suspicious email addresses used solely for gaming the system."*

Luigi Setimii, Head of Technology, Governance and Demand

**BETFLAG**  
THE TOP OF GAMES WELCOME!



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# Making Intent Obvious: Detect & Prevent Bonus Abuse in iGaming

SEON stops fraud and money laundering before it happens through a combination of advanced digital footprint analysis, proprietary device intelligence and a fully customizable machine learning rules engine — all without impacting customers' user experience.