

NORTHERN TERRITORY RACING COMMISSION

Reasons for Decision

Applicant:	Ms M
Licensee:	Sportsbet Pty Ltd
Proceedings:	Dispute Relating to Betting - Section 85 of the <i>Racing and Betting Act</i>
Heard Before: (on papers)	Mr Andrew Maloney (Presiding Member) Mr David Loy Mr Jim McNally
Date of Decision:	30 April 2018

Background

1. The dispute is between Ms M (the client) and Sportsbet (the bookmaker).
2. Sportsbet is the holder of licence issued by the Northern Territory Racing Commission (the Commission) to conduct the business of a sports bookmaker in the Northern Territory.
3. On 10 October 2017, the client lodged a gambling dispute against the bookmaker and submits in part “... *I’m making a complaint with SportsBet. I made a bet yesterday through Sportsbet which won the bet was \$1000 and I won \$18,600. When I went to transfer the winnings into my bank account they suspended my account for further investigation. Now they have banned me for life and voided my bet ...*”
4. On 9 October 2017 a bet of \$1,000.00 was placed through the client’s account being four leg multi and was successful returning \$18,608.90 to the client’s account.
5. The amount of \$18,608.90 appeared in the client’s account as a settled bet.
6. The client withdrew 2 amounts of \$1,000.00 via the client’s cash card shortly after the bet was settled.
7. The client attempted to withdraw \$16,900 via a bank transfer on 9 October 2017.
8. Sports bookmakers licensed in the Northern Territory have a comprehensive suite of terms and conditions that customers are deemed to be familiar with prior to opening and operating an account with the bookmaker. These terms and conditions are most often referred to as ‘The Rules’ and operate to ensure the commercial efficacy of the business model of a bookmaker.
9. The withdrawal was intercepted by the bookmaker and reversed by invoking Rule 36 of it’s Terms and Conditions which states “*If Sportsbet determines that the risk presented from a payment to or from an Account to be undesirable, Sportsbet reserves the right to cancel the deposit or withdrawal*”

10. The bookmaker had also formed the view the client's account had been operated by a third party and as such may have contravened Rule 40 of its terms and conditions *"If Sportsbet successfully identifies third party payment transactions on an Account; Sportsbet reserves the right to remedy the situation. Members accept that any bets placed, or still pending may be voided and funds returned to them. Members accept that Sportsbet will review each situation on a case by case basis taking into account deposits, withdrawals, bets and any other information available. Members accept that when an Account has not been operated on a good faith basis that Sportsbet may refuse future transactions and retrospectively void existing ones, at its discretion."*
11. It is generally accepted by the Commission that in opening an account, a customer agrees to abide by 'The Rules' provided by the relevant sports bookmaker with whom the client is opening an account. The Commission also accepts that this applies equally to the sports bookmaker in that they must also abide by 'The Rules' in their transactions with the customer. On the evidence before the Racing Commission it is not disputed that the client used a third party debit card to fund her wagering account.

Consideration of the Issues

12. A bookmaker in several instances will discover error or circumstances entitling it to investigate an activity or activities on a client's account. An audit of such error or activity usually follows. A trigger for discovering and investigating such activity is often a complaint or demand made by a client but not exclusively is complaint or demand the only catalyst. An unusual pattern of betting on an account, a windfall or other matters may trigger an audit of activity and lead to the discovery of activity outside the parameters of contractual wagering obligations.
13. In this case the trigger for investigation by the bookmaker into its client's wagering activity was a large withdrawal request for this account which when reviewed identified a possible third (3rd) party involvement in the account. The account activity was referred by the bookmaker to its Customer Security division who were charged with reporting on an enquiry into any suspicious activity.
14. The withdrawal process of funds from the customer's account had been and remained suspended while this process took place.
15. During the enquiry process it became apparent to the bookmaker's investigation personnel that the particulars of the bank account used to fund the client's account was irregular. On opening and maintaining a betting account each bookmaker account holder is required to nominate his or her bank account and supply specifics of same to the bookmaker.
16. This is both a security and integrity issue that avoids as far as possible any compromise or manipulation by a third party of the client's wagering account. It is a strict policy and condition of this bookmaker that any change in bank account status is notified for approval and probity and moreover then agreed to by the bookmaker as an acceptable bank facility from which the client may operate their account funding through.

17. The discovery through admissions by this client and other indicia that a company account and a debit account of another wagering client with the bookmaker was being used to fund the account and admissions that he (the client's partner) "*sometimes he places bets on my phone and...*".
18. Of significant import is when the bookmaker posed the following question:

"On your account, on your Sportsbet account under Ms N your user name, your account?"

To which the client replied:

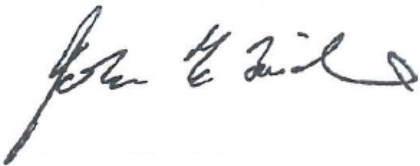
"Yeah by accident. Like we're, as you can understand when you're in a relationship you just use each, use everybody's you use each other's stuff so....".
19. On further questioning the client and her partner (an independent client of Spotsbet) make admissions that her partner has placed bets on the disputed client's account but states "yeah by accident". The client's admission to this compromise in usage of her account by another is a reluctant admission it would appear on her part.
20. Based on the evidence provided, it is without doubt that a third-party debit card was used to fund the wager giving rise to this dispute. A third party had access to the client's wagering account whether by accident or intent and had used it.
21. A mobile device was linked between the accounts of the client and her partner which gave rise to the bookmaker's suspicion that the partner placed the disputed wager and not the client.
22. This suspicion is heightened during a call where the client was unable to readily recall the selections of wagers without 'pause'.
23. In essence the bookmaker submits that they have not acted outside of their authority and are entitled to void the wager and retain the money.
24. Conversely the client submits that that she has "*done nothing wrong*", placed the wagers herself, both phones are in her name, she is a director of the company linked to the funding account.
25. The funding account was a company account that the client is a director of and the visa debit card used to fund the account was in the name of the client's partner. The client had permission to use the card linked to her wagering account.
26. It is on this basis that the client seeks the winnings she believes she is entitled to.
27. The client and her partner readily admitted to bets being placed on the client's account by her partner.
28. Consideration has been given to the various telephone conversations between the client and the bookmaker and the bookmaker and her partner.

Decision

29. This Commission is satisfied that the client's account was funded via a third party through her partner's debit card linked to their company bank account of which the client was/is a director. This is in contravention of the bookmaker's agreed terms and conditions of wagering and it is the view of this Commission that in this instance the bookmaker was within its rights to apply Rule 40 of its Terms and Conditions to void the bet and return the wager. It is noted the client was able to withdraw \$2,000 before the breach was identified.

Review of Decision

30. Section 85(6) of the Act provides that a determination by the Commission of a dispute referred to it under subsection (1) shall be final and conclusive as to the matter in dispute.



John McBride
Chairperson
NT Racing Commission

30 April 2018