

# NORTHERN TERRITORY RACING COMMISSION

## DECISION NOTICE AND REASONS FOR DECISION

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**MATTER:** Gambling Dispute for determination by the Northern Territory Racing Commission (pursuant to section 85(2) of the *Racing and Betting Act 1983*)

**COMPLAINANT:** Mr D

**LICENSEE:** Entain Group Pty Ltd (Ladbrokes)

**HEARD BEFORE:** Mr Alastair Shields (Presiding Member)  
**(on papers)** Ms Cindy Bravos  
Mr James Pratt

**DATE OF DECISION:** 13 March 2024

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### DECISION

1. For the reasons set out below, the Northern Territory Racing Commission (**the Commission**) is satisfied that Entain Group Pty Ltd (**the Licensee**) has acted in accordance with the *Racing and Betting Act 1983* (**the Act**), the licence conditions attached to its sports bookmaker licence and the Northern Territory Code of Practice for Responsible Service of Online Gambling 2019 (**the 2019 Code**) during its dealings with the Complainant.
2. Further, the Commission has determined that all bets placed by the Complainant through his betting account with the Licensee are lawful and that there is no reason to form a view that the Licensee should return any monies to the Complainant.

### REASONS

#### Background

##### The Licensee

3. The Commission has granted a licence to the Licensee to conduct the business of a sports bookmaker pursuant to section 90 of the Act. The Licensee's current sports bookmaker licence is due to expire on 30 August 2026.
4. Under that licence, the Licensee is currently authorised to operate two wagering platforms under the online branding of Ladbrokes and Neds. For ease of reference and given that the events complained of occurred while the Complainant interacted with the Licensee while using the Ladbrokes branded online wagering platform, the Commission has determined to refer to the Licensee as **Ladbrokes** throughout this Decision Notice.

##### The Complaint

5. On 1 February 2022, the Complainant lodged a complaint with the Commission via the Northern Territory Government's Licensing NT online portal in relation to his dealings with Ladbrokes.
6. In that complaint, the Complainant alleged that Ladbrokes:

- offered him an inducement for opening a new betting account; and
- failed to identify and take any action when he was displaying behaviours that indicated that he was at risk of experiencing financial harm associated with his online wagering activity.

7. The Complainant is seeking:

- a refund from Ladbrokes of \$243,000, being the losses he sustained during the betting account's lifetime, due to the alleged inducement he received; or alternatively
- a refund from Ladbrokes of \$265,000, being the losses he sustained after 10:30 p.m. on 19 January 2022, due to the alleged failure of Ladbrokes to identify and take any action when he was displaying behaviours that indicated that he was at risk of experiencing financial harm associated with his online wagering activity.

#### Commission Hearing

8. Pursuant to section 85(4) of the Act, the Commission determined to hear the dispute and make its determinations in the absence of the parties, based on the evidence before it.
9. That evidence includes written submissions to the Commission by both the Complainant and the Licensee, as well as additional evidence obtained on behalf of the Commission by Licensing NT officers appointed as betting inspectors by the Commission.

### **Consideration of the Issues**

#### Opening of the Betting Account

10. The Complainant has submitted to the Commission that:

- on 17 January 2022, he registered a new betting account with Ladbrokes after seeing an advertisement and downloading the Ladbrokes App on his smartphone. After doing so, a 'popup message' appeared on the Ladbrokes App on his smartphone offering "bonus money/cash bonus" if he deposited money into his Ladbrokes' betting account;
- "Ladbrokes should have never offered a credit or reward for opening a new account as it just encouraged me (problem gambler) to participate in gambling activities with them"; and
- "Ladbrokes offered an inducement to participate [in] gambling activity. If there was no inducement, I would be more inclined not to continue with the app and account."

11. In contrast, Ladbrokes has submitted to the Commission that:

- the Complainant "...could not have been induced 'to open a betting account' with Ladbrokes given this message would have been served to him as an existing customer (i.e. after he had already signed up); and
- "...at the time of receiving the message, [the Complainant] had opened an account and therefore already demonstrated a clear desire to 'participate in gambling activities'.

12. The Commission notes that an inducement is generally considered to be something that is offered or provided, to encourage or persuade someone to take a particular action or make a certain decision. In the context of online gambling worldwide, an inducement typically refers to an incentive or promotion that online wagering operators offer to attract new customers or retain existing ones.

13. As is required by the Act in performing its functions, the Commission must have regard to among other things, minimum regulatory intervention by government; performance-based risk management controls; proactive and competitive industry positioning and a balanced approach to problem betting. Given this and in order to strike a balance between consumer protection and industry competitiveness, while the Commission has prohibited the offering of an inducement to open a new betting account, it has not prohibited the offering of inducements by its licensees to their existing customers - contingent on its licensees offering those bonuses, promotions or rewards in a responsible way.
14. The submissions before the Commission from both the Complainant and Ladbrokes are that the 'popup message' that the Complainant received from Ladbrokes offering a deposit bonus was sent (and received) after the Complainant had opened his betting account with Ladbrokes.
15. Given that the Complainant was an existing customer of Ladbrokes at the time he received the deposit bonus inducement, Ladbrokes actions in sending the inducement to the Complainant were not in contravention of the Act, Ladbrokes' sports bookmaker licence conditions nor the 2019 Code.

#### Account Activity

16. The Complainant has submitted to the Commission that Ladbrokes did not make any contact with him to ascertain whether he was wagering within his financial means, nor did it place restrictions on his betting account despite:
  - an initial deposit of \$3,000 quickly followed by deposits of \$6,000 and \$12,000;
  - the placement of "*...bets ranging from \$1 to hundreds to over thousands of dollars*" continuously every few minutes;
  - a period of wagering in which he was "*...taking huge risks, a substantial change of amount and ongoing deposits that grew exponentially*";
  - deposits of \$2,500, \$6,000 and \$15,000 which were used to bet on numerous races within a short period of time; and
  - making multiple withdrawals from the betting account as well as cancelling several pending withdrawals.
17. Following the above period of activity, the Complainant has submitted that due to "*...being heavily intoxicated, battling depression (factors such as the [then] current Covid-19 situation, mentally unstable from past traumas, family issues, and gambling problems*", his betting then continued uninterrupted with "*... various small and significant large bet amounts*" every few minutes. During this period, the Complainant submitted that he made nine deposits ranging between \$2,000 and \$118,000.
18. The Complainant has submitted that despite this activity, there was no contact from Ladbrokes to ascertain whether he was wagering within his financial means nor were any restrictions placed on his betting account.
19. Ladbrokes on the other hand has submitted to the Commission that following the lodgement of the complaint by the Complainant, it has reviewed the Complainant's betting account activity and is unable to identify any red flag behaviours prior to 11:10 p.m. Australian Eastern Standard Time (AEST) on 19 January 2022.
20. Ladbrokes submitted that prior to this time:

- the Complainant's betting activity remained consistent and he *"...exercised control by either withdrawing his entire account balance or concluding his wagering with a large account balance (rather than impulsively gambling to a balance of \$0); and*
  - the Complainant's betting account was in profit by \$4,000.
21. Ladbrokes has further submitted that the losses the Complainant has referred to in his complaint occurred over a period of less than 50 minutes between 11:10 p.m. – 11:59 p.m. on 19 January 2022.
22. Ladbrokes has submitted that during a short period after 11:10 p.m., the Complainant *"...started to exhibit red flag behaviours such as chasing his losses."* Ladbrokes advise that as a result of identifying that the Complainant's behaviours had raised *"...potential RSG issues"*, it proactively suspended the Complainant's betting account at 12:12 a.m. on 20 January 2022.
23. The Commission notes that this submission is supported by a record attached to the Complainant's account detailing that the Complainant's account status was changed from open to suspended at 12:21:11 a.m. on 20 January 2022 with the reason recorded as *"Closed by traders: Potential RSG issues."*
24. Ladbrokes has further submitted that approximately an hour after it had suspended the Complainant's account, the Complainant entered into a 'live chat' with Ladbrokes at 1:34 a.m. on 20 January 2022 in which he asked Ladbrokes who he should speak with to *"...reverse a one night drunk gambling problem session."* Ladbrokes advised the Complainant that he would need to contact Ladbrokes later that morning during business hours to discuss his request. This submission is also supported by the 'live chat' recording sighted by the Commission.
25. Ladbrokes submitted that later that morning, the Complainant attempted to contact Ladbrokes by telephone however, each of these calls were disconnected by the Complainant shortly after dialling. At 9:05 a.m., the Complainant again called Ladbrokes and on this occasion spoke to a member of the Ladbrokes' responsible gambling team. During that conversation (a recording of which has been listened to by the Commission), the Complainant stated:
- *"I've been engaging betting activities last night and I made the mistake. I was wondering if you can just look into the activity and see if it can be reversed somehow because I was mentally unstable at that the time";*
  - *"...last night just at a certain time I just wasn't mentally stable and I made a not so good mistake as you can see from transactions. Is there a chance of like reversing some of the activity?"*
  - *"I just mentally unstable at the time and then suddenly just the amount just grew substantially. Yeah I just don't know, it just happened so quickly, like within one hour. So is there like a chance you can escalate to your manager to be able to review a certain point of time where those transactions can be reversed or?"*
26. Ladbrokes has further submitted that a short time later that morning, the manager of the Ladbrokes responsible gambling team contacted the Complainant at the Complainant's request. During this conversation (a recording of which has also been listened to by the Commission), the Complainant stated:
- *"I signed up for Ladbrokes like just a couple days ago and then started betting on you know activities and it was all done like more small bets and stuff, and then suddenly last night I don't know what happened. I just I was unstable, mentally unstable and that number just*

*went out, out of control. You can probably see from the transactions that it did increase substantially around 11 o'clock. So I just wondering if possible to like some of it be reversed".*

- *"I was intoxicated and you know, life pressure and covid and everything. When it happened, half asleep. Yeah then just I don't know. I not sure what happened. Just within an hour it just blew away".*
- *"...like I said, I don't know what happened. I've never experienced this before I never had a betting problem before. I just download the app a couple days ago and dunno, I just lost control for some reason. Yeah so I was wondering if you could like just investigate what happened and just reverse certain amount like for compassionate grounds cause you know it's my life savings".*

27. Responsible gambling practice as outlined in the 2019 Code necessitate that licensees closely monitor the account activities of their customers (including deposit, withdrawal and betting activity) and intervene where necessary to limit the harm to customers who may be wagering beyond their financial capabilities. In particular, 3.2 of the 2019 Code requires that:

Where appropriate, a customer who displays some, or a number, or a repetition of red flag behaviours should be monitored by an online gambling provider and appropriate customer interaction should take place to assist or protect that customer which reasonably corresponds to the circumstances. Online gambling providers should ensure responsible gambling policies and procedures are in place to allow staff to detect and assist customers who may be experiencing problems with gambling.

28. The Commission expects, that when identified, licensees will then reach out to these customers with information about the responsible gambling management tools available to them and if necessary, ascertain whether the customer has sufficient financial sources to be engaged in the online wagering activity with the licensee to the level that they are. While there is no guarantee that the monitoring of wagering behaviours and subsequent interactions will identify all customers who are experiencing harm from their online wagering behaviours, attempts should be made by all sports bookmakers licensed by the Commission to reduce harm at the earliest opportunity.

29. The Commission has reviewed the betting account statement that records the Complainant's online wagering activity with Ladbrokes from the time he registered the account until its closure and notes that on 17 January 2022, the Complainant commenced a five-hour online wagering session with Ladbrokes between 7:12 p.m. and 12:28 a.m.

30. The Commission notes that during this wagering session that as per the Complainant's submission, he did deposit a total of \$21,000 into his betting account with three separate deposits of \$3,000, \$6,000 and \$12,000. Over the five-hour period, the Complainant placed numerous bets mostly every few minutes, with the biggest break between the placement of bets being a period of 16 minutes. Each of these bets ranged from \$27.55 to \$11,500, with most bets having stakes of well over \$1,000. At the conclusion of this wagering session, the Complainant had a balance of \$26,500 which he withdrew, resulting in a profit to him of \$5,500 for the evening.

31. The following afternoon at 4:13 p.m. on 18 January 2022, the Complainant commenced another online wagering session that on this occasion lasted for approximately eight and a half hours. During this wagering session, the Complainant deposited a total of \$23,500 into the account commencing with an initial deposit of \$2,500 (noting that after the withdrawal discussed above, the Complainant's betting account had a zero balance), followed by a deposit

of \$6,000 at 10:54 p.m. when his account balance was again zero. After placing a losing bet of \$6,000, the Complainant deposited a further \$15,000 six minutes later. The Complainant's wagering activity continued until 12:45 a.m. at which time his account balance was \$30,300. Unlike the evening before, the Complainant did not withdraw his account balance at this time.

32. During this wagering session, the Complainant made a profit of \$6,800 having again placed bets every few minutes excepting several 20-minute breaks and a break of just under one hour at 9:36 p.m. The bets placed ranged in stakes of \$29 to \$15,000 with most of these bets on this occasion having stakes in the hundreds rather than the thousands excepting several multi thousand-dollar bets including a \$15,000 winning bet that resulted in a \$28,500 payout.
33. As can be seen, at this stage the Complainant had engaged in two wagering sessions with Ladbrokes of five hours and eight and a half hours respectively during which the Complainant profited to the combined amount of \$12,300. Each of these sessions saw the Complainant deposit only on a few occasions throughout the sessions (noting that four of the six deposits were of \$6,000 or more) and the deposits during the second session were of a lesser value than the withdrawal he had made following the first wagering session. The bets placed during both of these sessions were quite wide ranging in stake value, being anywhere between \$27 and \$15,000 and during the second session of wagering, tended to be overall, smaller bets than those that the Complainant had placed during the first wagering session.
34. It is of some surprise to the Commission that Ladbrokes has not advised that the value of the Complainant's deposits on these two days triggered a responsible gambling alert of some sort. However, the Commission notes that even had this occurred, a review of the betting account at this stage would most likely have indicated to Ladbrokes that the Complainant was a new customer who liked to bet on greyhound racing both in Australia and overseas (thus accounting for the betting late at night/early morning due to the time zone differences) and that he was often prepared to place large bets with stakes in the thousands of dollars. A review would also have shown that while the total deposits made into the betting account over this two-day period had amounted to \$44,500, the Complainant had also withdrawn \$26,500 and had an account balance of \$30,300 which meant that the Complainant at that stage, was in profit due to his wagering activities in the amount of \$12,300.
35. On 19 January 2022, the Complainant briefly resumed wagering at 4:42 a.m. for a period of 25 minutes. During this period, the Complainant did not deposit any monies into his account, placed six bets between \$100 and \$175 on overseas greyhound races, and ended this very short session of wagering with a further profit of \$111.25, bringing his account balance to \$30,411.25 and a profit from his wagering activity to this time of \$12,411.25.
36. Just after noon on that same day, the Complainant again logged into his Ladbrokes' betting account and commenced a fourth session of wagering. This session lasted a total of 11 and a half hours, noting that during this session, the Complainant took two large breaks from wagering of over an hour each.
37. The Complainant firstly placed five bets on various greyhound and thoroughbred races with stakes ranging between \$100 and \$150, prior to submitting a withdrawal request for \$30,000. Before that withdrawal request was processed by Ladbrokes, the Complainant cancelled the withdrawal request. He then placed a losing \$414.25 bet and then requested to withdraw \$29,000 which was processed, leaving an account balance of \$1,000 and leaving the Complainant in profit due to his wagering activity since the opening of the Ladbrokes' betting account in the amount of \$12,210.
38. The Complainant then placed a further five bets with stakes ranging between \$100 and \$555 before having a break from his wagering activity with Ladbrokes for one hour and 20 minutes.

At this time, the Complainant's account balance was \$1,155. The Complainant resumed wagering at 2:20 p.m. in much the same manner as his previous wagering activity to date. This wagering activity continued until 5:46 p.m. at which time, due to a variety of winning and losing bets placed by the Complainant, the Complainant's account balance was now zero.

39. At 5:59 p.m. the Complainant deposited \$5,000 and shortly after, placed a losing \$5,000 bet on a harness race. Several minutes later, the Complainant deposited a further \$10,000 and placed a single bet with a stake of \$10,000 which returned a payout of \$23,000. The Complainant then withdrew \$22,000 from his betting account, leaving him with a balance of \$1,000 (and a profit of \$8,000 from the two bets placed with the \$15,000 in deposits).
40. After a break of nearly an hour between bets, the Complainant again actively commenced wagering with numerous winning and losing bets being struck until the Complainant's betting account balance reached zero at 7:57 p.m. that night. After depositing a total of \$6,000 shortly after, the Complainant continued to wager with bets being struck with stakes ranging between \$100 and \$4,000. This wagering behaviour continued until 10:46 p.m., at which time the Complainant had again bet through his account balance.
41. At 10:51 p.m., the Complainant deposited \$8,000 and placed a bet to the same value which returned \$13,600 which the Complainant again bet through with stakes ranging up to \$9,000, leaving his account balance at zero by 11:08 p.m. that evening. By this stage in time and while having had earlier successes (approximately three and a half hours earlier, the Complainant was in profit from his wagering activities to the amount of \$18,000), the Complainant's wagering activity since registering the account just over two days before had now resulted in losses of just under \$8,500.
42. It is after this point in time and most likely due to suffering those losses, that there was a significant shift in the Complainant's wagering behaviours, particularly in relation to the risk he took with each bet he placed, as is demonstrated by both the size of the deposits he made into the account and the increased size of the bets that he placed.
43. At 11:10 p.m. that evening, the Complainant deposited \$19,000 and immediately placed a bet to the same value on a greyhound race in the United Kingdom. After losing that bet, the Complainant deposited \$40,000 and again immediately placed a bet to the same value on another greyhound race, which also lost.
44. At 11:27 p.m., the Complainant deposited \$90,000 and within one minute had placed another losing bet to the same value. Less than three minutes later, the Complainant deposited a further \$118,000 into his betting account and used these funds to place three bets with stakes of \$31,500, \$22,500 and \$13,125 respectively. Two of these bets were winning bets, leaving the Complainant with an account balance of \$133,750 which he immediately used to place a \$99,750 wager on another greyhound race in the United Kingdom.
45. After losing that bet and shortly before midnight, the Complainant used the remainder of his account to place a \$34,000 bet which resulted in a \$78,200 return. He then placed two further losing bets, leaving an account balance of \$20,000. The Complainant then submitted a withdrawal request for the remaining \$20,000 a few minutes after midnight.
46. From the time the Complainant opened his betting account with Ladbrokes on 17 January 2022 until midnight on 19 January 2022, the Complainant had deposited \$340,500 into the account, placed 238 wagers totalling over \$650,000 and had withdrawn \$97,500, resulting in an overall loss of \$243,000.

47. As can be seen from the detailed examination of the Complainant's wagering activity above, most of these losses were sustained in the final hour of the Complainant's betting activity during which he deposited \$267,000 by way of four deposits.
48. Given the size of these deposits and that the stakes of the bets during this period were significantly higher than the Complainant's previous betting activity, it is very likely in the Commission's view that the Complainant was attempting to recover money that he had lost earlier by placing large bets with some sense of urgency so as to recover those losses quickly. Often referred to as chasing losses, this type of behaviour is commonly associated with irrational decision-making and is often a sign that a person may be experiencing harms associated with their wagering behaviour.
49. This type of behaviour is one that the Commission expects that its licensees will recognise and once having done so, will interact with the customer who has displayed the behaviour so as to limit the harm to its customers that may be wagering beyond their financial capabilities.
50. With this in mind, the Commission notes that within an hour of the Complainant placing the first of the wagers that would appear to be part of his failed 'chasing losses' strategy, Ladbrokes had suspended the Complainant's betting account due to concerns about responsible gambling issues. This occurred just after midnight at 12:12 a.m. on 20 January 2022 and was well before the Complainant made contact with Ladbrokes at 1:34 a.m. via 'live chat' and advised that he had engaged in a "...drunken problem gambling session".
51. Despite the inherent challenges of discerning a customer's state of intoxication in an online wagering environment, Ladbrokes detected irregularities in the Complainant's wagering and deposit patterns and took action to mitigate potential harm.
52. In the Commission's view, this response by Ladbrokes to the Complainant's wagering behaviours was as close to 'real-time' as could be expected. Amidst the fast-paced nature of online wagering where large sums can be won and lost in a short period of time, Ladbrokes identified the change in the Complainant's wagering behaviours and took proactive measures by suspending the Complainant's betting account and effectively intervened to prevent further losses.
53. Given this, the Commission has determined that Ladbrokes has acted in accordance with the Act, the licence conditions attached to its sports bookmaker licence and the 2019 Code during its dealings with the Complainant.
54. The Commission has further determined that all bets placed by the Complainant through his Ladbrokes' betting account are lawful and that there is no reason to form a view that Ladbrokes should return any monies to the Complainant.

## **NOTICE OF RIGHTS**

55. Section 85(6) of the Act provides that a determination by the Commission of a dispute referred to it pursuant to section 85 of the Act shall be final and conclusive as to the matter in dispute.



Alastair Shields

Chair

Northern Territory Racing Commission

On behalf of Commissioners Shields, Bravos and Pratt