

NORTHERN TERRITORY RACING COMMISSION

Reasons for Decision

Complainant:	Mr E
Licensee:	PlayUp Interactive (trading as Mad Bookie)
Proceedings:	Pursuant to section 85(2) of the <i>Racing and Betting Act</i> – Referral of dispute to Racing Commission for determination
Heard Before: (on papers)	Ms Cindy Bravos (Presiding Member) Ms Amy Corcoran Mr Allan McGill
Date of Decision:	17 May 2019

Background

1. On 29 October 2018, pursuant to section 85(2) of the *Racing and Betting Act* (the Act), the complainant lodged a gambling dispute with the Northern Territory Racing Commission (the Commission) against the licensed sports bookmaker, PlayUp Interactive trading as Mad Bookie.
2. PlayUp Interactive is licensed as a sports bookmaker in the Northern Territory by the Commission to accept bets under the trading name of Mad Bookie. For the purposes of this decision, the Commission will refer to the licensee involved in the dispute as Mad Bookie.
3. The complainant has advised the Commission that he was able to open a betting account with Mad Bookie despite having previously self-excluded from the sports bookmaker. As a result, the complainant was able to deposit \$400 into the betting account and strike a \$400 bet which resulted as a winning bet with a payout in the amount of \$1,320.
4. The complainant then contacted Mad Bookie to inquire about when he would receive bonus bets that were to be applied to his betting account as a result of opening the account. At this time, the sports bookmaker identified that the complainant had previously self-excluded from Mad Bookie and advised the complainant that his bet would be forfeited and his original deposit of \$400 refunded.
5. The complainant states that as he was able to open an account with Mad Bookie using his correct identifying details, he assumed that he had not previously self-excluded from the sports bookmaker and that he was able to bet with it. Given this, the complainant is seeking the payout of \$1,320 that resulted from his winning \$400 bet.
6. The complainant has further advised the Commission that he is “... a spasmodic gambler who sometimes gets out of control...” and as a result he has on occasion self-excluded from a number of sports bookmakers. The complainant advised the Commission that he does not keep any specific records as to which sports bookmakers he has self-excluded from, however when he has attempted to open a

betting account with the sports bookmakers he has previously self-excluded from, he has been unable to do so if he has previously held an account.

7. In response to the dispute, on 6 November 2018 the licensee confirmed that the complainant had previously self-excluded from Mad Bookie, however was subsequently successful in opening another account with the sports bookmaker. As a result, the complainant was able to place a bet that resulted in a \$1,320 payout. Once the licensee identified that the complainant had previously self-excluded from the sports bookmaker, Mad Bookie immediately closed the complainant's account and in accordance with its terms and conditions, the winning bet was forfeited and the complainant's deposit returned.
8. In response to further inquiries with the sports bookmaker, the licensee advised the Commission that the complainant was able to open the second betting account due to a software bug that overwrote data, which was introduced when the PlayUp betting brands were migrated into a single platform.
9. Information relevant to this dispute was gathered from both parties by Licensing NT betting inspectors appointed by the Commission, with that information provided to the Commission to consider the dispute on the papers.
10. During the course of the investigation by Licensing NT betting inspectors, the complainant has also raised his concerns about the time taken by the sports bookmaker to respond to Licensing NT betting inspector inquiries.

Chronology

11. On 9 April 2018 following the receipt of a promotional email from Mad Bookie, the complainant requested Mad Bookie to close his betting account and to "*...treat my account as permanently self excluded.*" On the same day, Mad Bookie responded via email and advised the complainant that:

...your account has been closed indefinitely and you will be excluded from utilizing (sic) Mad Bookie's services and or signing up to new services in the future.
12. On 26 October 2018, the complainant opened a second betting account with Mad Bookie. At the time of opening this account, the complainant provided Mad Bookie with his full identification details including the same email address and mobile phone number that he had used to open the first betting account discussed in paragraph 11 above.
13. The complainant then deposited \$400 into the betting account via credit card and a short time later, struck a \$400 bet on Legion of Boom to win Race 4 of the Scone Races. Legion of Boom subsequently ran first in the race resulting in the complainant's bet being a winning bet with a payout amount of \$1,320.
14. On the same day, the complainant contacted Mad Bookie via Live Chat and inquired when his bonus bets would be available. In response, Mad Bookie asked the complainant as to whether he had had another account with Mad Bookie, to which the complainant replied, "*...not that I can remember.*"

15. When advised by Mad Bookie that its records showed that the complainant had held an account that had been permanently self-excluded on 9 April 2018, the complainant responded *"OK, I will withdraw and Close this new account."*
16. Mad Bookie advised the complainant that they had checked the two accounts and *"...it's the same email address on both."* Following some further discussion about the process to verify the complainant's account in order that a withdrawal could be processed, Mad Bookie advised the complainant that they had closed the complainant's betting account and would refund the original \$400 deposit only and void the winning bet.
17. The complainant expressed his dissatisfaction with this and advised Mad Bookie that he would be lodging a complaint with the Commission seeking payment of the winning bet and *"...significant compensation."*

Consideration of the Issues

Code of Practice for Responsible Online Gambling

18. The Commission considers problem gambling to be the most serious of issues within the wagering industry and as a result, the Commission expects that all sports bookmakers licensed by it to implement effective measures to minimise the harm that may be caused by online gambling.
19. To assist sports bookmakers in this regard, the Commission has provided practical guidance to sports bookmakers through the promulgation of the *Northern Territory Code of Practice for Responsible Online Gambling* (the Code). The Code amongst other things, requires that licensed sports bookmakers must provide self-exclusion features on each of their betting platforms to enable their customers the opportunity to exclude themselves from accessing the sports bookmaker's gambling products. Where a person requests that they be permanently self-excluded for any reason, the Code requires that the sports bookmaker must not knowingly permit that person to re-open or open a new account.
20. The sports bookmaker has advised the Commission that when a prospective customer signs up to the Mad Bookie platform, a check is made against the existing database for any self-excluded customer records that match the phone number or email address provided. If a match is identified, a notice is shown to the prospective customer that they cannot create an additional account.
21. With respect to the complainant, the sports bookmaker advise that at the time of the opening of the complainant's second betting account with it, there was:

...an unknown software bug in the code base that was introduced when the PlayUp multiple brands were migrated onto the single platform. This bug was overwriting the existing mobile number and email address with empty data for clients in certain cases where they were being self-excluded from the system. The overwriting of these 2 key data items with empty data allowed the additional account to be created in error.
22. The sports bookmaker has further advised the Commission that upon identifying this bug, the overwriting issue has been rectified and the system now prevents

updates to the email address and phone number fields from occurring. This allows the self-exclusion check to operate as expected.

23. The sports bookmaker has also advised the Commission that:

[i]n December 2018 a review of all self-excluded users in the database was performed across all the brands and database amendments were made where required. Following this review, [the complainant] had several records in the database as expected with the mobile number and email address present which prevents an additional account from being opened as explained above...

We are monitoring all self-exclusions closely and looking for data integrity issues moving forward. We believe we have resolved the software bug and do not expect any similar such cases in the future.

24. The sports bookmaker advise that the software bug discussed above “...was from an in-house developer who is no longer with the company.”

25. Whilst the Commission notes that errors or flaws in computer programs or systems do on occasion occur as a result of faulty coding by a developer, it also notes that testing to ensure the program is working effectively is also a process commonly undertaken during code development so as to identify any software bugs that may cause the program to produce incorrect results. In this case, it is apparent to the Commission that the testing undertaken by the sports bookmaker prior to the integration of the PlayUp betting brands onto a single platform going live, was insufficient to identify the software bug that allowed for the complainant who was a self-excluded customer of Mad Bookie to open a second betting account.

26. The Commission also notes that the advice from the sports bookmaker that its check against its existing database for any self-excluded customer records is reliant on the matching of an email address or phone number only. In this respect, the Commission notes a recent decision by it in the matter of A v Sportsbet dated 18 April 2019 in which the Commission noted its satisfaction that Sportsbet have an appropriate system in place to match account details in order to prevent self-excluded customers from returning to use their services through the matching of the full name, mobile phone number, address and email address.

27. The Commission is of the view given the seriousness to which it attaches to the issue of problem gambling and the responsibility of sports bookmakers as required by the Code to not knowingly allow a self-excluded customer to re-open or open a new account, that PlayUp Interactive should give consideration to improving its data matching processes to also include checking full name and address data on all of its betting platforms including Mad Bookie. Given the advice provided to the Commission that the software bug discussed above overwrote email address and phone number data, had the complainant’s full name and address details also been subject to data matching, the ability for the complainant to open a second betting account with Mad Bookie would likely have been avoided.

28. During the course of the investigation into this dispute, the complainant reviewed a number of previous decisions of the Commission and referred the Licensing NT betting inspector to a Commission decision dated 14 May 2018 involving TopBetta Pty Ltd. At the time of that decision, TopBetta Holdings Pty Ltd owned and operated the TopBetta and Mad Bookie betting platforms. Subsequent to that decision,

PlayUp Interactive has acquired the retail bookmaking subsidiary of TopBetta Holdings Limited which included both the TopBetta and Mad Bookie betting platforms. In that Commission decision which involved the failure of TopBetta to close the account of a TopBetta customer who had identified as a problem gambler, TopBetta advised the Commission of:

...the engagement of a third party to provide a daily exceptions report identifying any accounts on TopBetta's customer database matching the surname and date of birth of all self-excluded customers processed on that particular day. This is to ensure that all accounts linked to self-excluded customers have been identified, removed from marketing mailing lists and closed promptly.

29. Given the above, the complainant in this dispute has queried, *"[i]f this was the case, then how was my surname and date of birth able to open a new account."*
30. Whilst the Commission notes the complainant's query in this regard, it must be noted that the circumstances involved in the TopBetta matter detailed above are not the same as the current dispute. The daily exceptions report detailed in the TopBetta response at paragraph 28 above involves the checking of TopBetta customers who have self-excluded on that particular day against its databases so as to ensure that the betting account of the customer who has self-excluded on that day is closed and the customer is removed from all mailing lists. It is not a daily check of all previously self-excluded customers against database records held. As such, it is not reasonable to expect that this daily exceptions report would have identified that the complainant had previously self-excluded from Mad Bookie when he opened his second betting account.

Terms and Conditions

31. Each sports bookmaker licensed in the Northern Territory promulgates a comprehensive set of terms and conditions for wagering which both parties are bound by when an account is opened and each time a bet is struck. These terms and conditions operate to ensure legislative compliance and the commercial efficacy of the business model of a sports bookmaker.
32. At the time of the complainant opening his second betting account, the following term was in place:

Term 5.1 (e)

If you are found to have created an account with Mad Bookie while being on a break or having self-excluded, Mad Bookie will take the following steps:

- All pending bets will be voided;
- Winning bets will be forfeited;
- The account will be closed permanently;
- Deposits made whilst self-excluded will be returned to the customer...

33. As noted in the chronology above, the sports bookmaker identified during a live chat with the complainant that the complainant had previously self-excluded from the Mad Bookie betting platform. As a result, the sports bookmaker closed the complainant's betting account, forfeited the winning bet and refunded the \$400 deposit made by the complainant to open the betting account.
34. The complainant is of the view that as he was able to open a second betting account with Mad Bookie, he should receive the \$1,320 payout that resulted from the bet he placed on Race 4 of the Scone races. However, the Mad Bookie terms and conditions clearly state that should a Mad Bookie customer be found to have opened an account with Mad Bookie whilst self-excluded, winning bets will be forfeited, the account will be permanently closed and all deposits made refunded.
35. The Commission considers the forfeiture of winnings as an effective harm minimisation strategy aimed at deterring self-excluded customers from gambling and notes that Mad Bookie has operated in accordance with its terms and conditions.

Investigation Delays

36. During the course of the investigation by Licensing NT betting inspectors, the complainant raised concerns about the time taken by the sports bookmaker to respond to Licensing NT betting inspector inquiries.
37. The Commission understands the complainant's desire to have his dispute dealt with as expeditiously as possible. Whilst the sports bookmaker initially responded to Licensing NT within five days of receiving the complainant's dispute, the Commission does note that there was a delay of one month by the sports bookmaker in responding to follow-up inquiries made by Licensing NT and a further delay of approximately 20 days in responding to a second set of follow-up inquiries. The Commission notes that the sports bookmaker advised Licensing NT that these delays were caused by a need to seek information from the sports bookmaker's information technology area and whilst the Commission appreciates that technical advice was needed prior to a response being provided to Licensing NT, the Commission is of the view that this information should have been provided more expeditiously given that the information being sought was for the regulator.
38. Having said that, the Commission is not of the view that the delay in the provision of the technical advice in any way alters its findings in relation to the complainant's dispute.

Decision

39. On the weight of evidence provided to it, the Commission is satisfied that the sports bookmaker permitted the complainant to open a new account on its Mad Bookie betting platform despite the complainant having previously self-excluded from Mad Bookie. The Commission must therefore decide if the sports bookmaker failed to adhere to the Code's requirement that the sports bookmaker must not knowingly permit a person who has requested that they be permanently self-excluded for any reason to re-open or open a new account.
40. In this respect, the Commission is of the view that the action taken by the sports bookmaker in not adequately testing its software prior to the release of PlayUp's

integrated single platform was reckless and led to the complainant being able to open a second betting account whilst self-excluded. To have acted knowingly however, the sports bookmaker would need to have acted with certainty that by releasing the integrated single platform into the live environment, previously self-excluded customers would be able to open betting accounts. Whilst it is accepted the complainant clearly opened a second betting account on the Mad Bookie betting platform, the Commission cannot come to the view that the sports bookmaker knowingly allowed the complainant to open the account.

41. As a result, the Commission has determined that PlayUp Interactive trading as Mad Bookie did not breach its obligations under the Code. However, the Commission is of the view that PlayUp Interactive should immediately give consideration to improving its self-exclusion data matching processes to also include checking full name and address data on all of its betting platforms including Mad Bookie.
42. The Commission, on the basis of the information provided is also of the view that whilst the bet made by the complainant was a lawful bet pursuant to section 85 of the Act, the licensee's actions in forfeiting the complainant's bet were in accordance with its terms and conditions to which the complainant had agreed to at the time of opening his second betting account on the Mad Bookie betting platform. As such, it is the view of the Commission that there are no outstanding moneys payable by the sports bookmaker to the complainant.
43. As discussed at paragraph 37 above, the Commission is also of the view that the sports bookmaker should prioritise its dealings with dispute matters that are before the Commission in a more timely manner, even if the matter involves technical issues that require information from various sections of the sports bookmaker's enterprise. In so saying however, the Commission is not minded to take any further action in this regard with respect to this particular dispute matter.

Review of Decision

44. 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.



Cindy Bravos
Presiding Member
Northern Territory Racing Commission

17 May 2019