

# NORTHERN TERRITORY RACING COMMISSION

## Reasons for Decision

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<b>Complainant:</b>	Mr B
<b>Licensee:</b>	BetEasy
<b>Proceedings:</b>	Gambling Dispute for determination by Racing Commission (pursuant to section 85(2) of the <i>Racing and Betting Act</i> )
<b>Heard Before: (on papers)</b>	Ms Cindy Bravos (Presiding Member) Ms Amy Corcoran Mr James Pratt
<b>Date of Decision:</b>	28 February 2020

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### Background

1. On 16 April 2019 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) relating to the actions of BetEasy in voiding four multi bets that had been struck on a betting market that BetEasy had offered on round 5 of the 2019 National Rugby League (NRL) season.
2. The betting markets offered by BetEasy on the NRL matches played in that round included the offering to BetEasy customers, the ability to place a bet on the time of the first try awarded being at 74:59 minutes or earlier in the scheduled 13 April 2019 match between the Newcastle Knights and Manly Warringah Sea Eagles and the Cronulla-Sutherland Sharks and Sydney Roosters match.
3. During the early afternoon of 13 April 2019, the complainant placed four multi bets with a combined stake of \$3,562 at a price of \$2.18. The combined winnings for the four multi bets would have amounted to \$10,009.22 had BetEasy not voided the bets and returned the stake of each multi bet to the complainant on the basis that there had been a palpable error in the markets that had been offered by BetEasy.
4. The complainant submitted that the four multi bets were voided by BetEasy after the first leg of each multi bet had already been won and is seeking the recovery of moneys that he considers is payable on winning lawful bets.
5. In response to the gambling dispute, BetEasy submitted that the betting market offered was a palpable error as the option of the first try being awarded at 74:59 minutes or earlier should not have been offered, rather that it should have been a contingency in a betting market offered for time of last try awarded. BetEasy advised that error was identified before the first match started with all bets refunded and affected customers notified in accordance with its terms and conditions.
6. Information was gathered from both parties by a Licensing NT officer appointed under the Act as a betting inspector by the Commission and provided to the Commission which determined there was sufficient information before it, to consider the gambling dispute on the papers.

## Consideration of the Issues

7. The objects of the Act are the promotion of probity and integrity in racing and betting in the Northern Territory; maintaining the probity and integrity of persons engaged in betting in the Northern Territory; promoting the fairness, integrity and efficiency in the operations of persons engaged in racing and betting in the Northern Territory; and reducing any adverse social impact of betting.
8. In furtherance of those objects, section 85 of the Act provides the Commission with the jurisdiction to determine all disputes between a sports bookmaker and its customer regarding lawful betting. In this respect, section 85 sets out the decision making regime for the making of a determination by the Commission as to whether the disputed bet is lawful and provides that a person may take legal proceedings to recover monies payable on a winning lawful bet or for the recovery of monies owed by a bettor on account of a lawful bet made and accepted.
9. The clear purpose of section 85 is to authorise the Commission following an investigation, to determine whether or not the impugned bet or bets were lawful. The Commission's jurisdiction does not extend to other issues such as whether a remedy is available to any of the parties that would see them entitled to avoid the obligation being pursued such as a claim that a sports bookmaker engaged in misleading or deceptive conduct in inducing the bettor to bet.
10. It is important to note that in order to further the objects of the Act, the Act provides for the Commission to make rules for the control and regulation of sports bookmakers and in doing so, the Commission approves the terms and conditions of sports bookmaker licences which include the terms and conditions of agreements entered into between sports bookmakers and their customers.
11. The terms and conditions that both the sports bookmaker and the customer are bound by when a betting account is opened and each time a bet is struck, usually contain a rule that allows the sports bookmaker to defend its entitlement to correct any prices which are inadvertently offered in obvious or manifest error, such as when two prices are transposed, a price is incorrectly input as a result of a typing error or when a delay in receiving live match information impacts on the prices being offered as the price offered failed to take into account some event that had already occurred.
12. At the time the complainant's bets were struck, the following extract from general rule 7 formed part of BetEasy's terms and conditions:

### **7. Errors**

We will endeavour to ensure that We do not make errors when pricing and accepting bets. However, we reserve the right to cancel any bets where a palpable error has occurred. If We cancel a bet because a palpable error has occurred, We will endeavour to contact You...

13. The above rule on errors explains to the customers of BetEasy that when BetEasy detects that a palpable error has occurred in the pricing and accepting of bets, BetEasy reserve the right to void the bet. As has often been articulated in previous Commission decisions, it is the view of the Commission that the commercial efficacy of the sports bookmaker business model must have error limiting clauses such as this so as to avoid a sports bookmaker from unjustly suffering a loss where a

legitimate or innocent error has occurred. It is the view of the Commission however, that obvious or manifest error rules should not be used to protect sports bookmakers from errors of judgement, lack of vigilance or movements in the market that they have failed to detect and respond to.

14. The issue for consideration by the Commission therefore in determining the current gambling dispute before it, is whether this error rule has been implemented reasonably and fairly by BetEasy. In doing so, the Commission must necessarily look to the reasons provided by BetEasy for the claimed palpable error and review the evidence from BetEasy that supports its claim that the betting market was offered in error. In doing so, the Commission will also turn its mind to whether the claimed error would have been discernible to a sports bookmaker customer with a reasonable knowledge of betting; as well as a knowledge of the sport involved in the betting markets in question.
15. BetEasy has advised that the selections that BetEasy offer for this type of betting market are usually:

Time of First Try Awarded	Time of Last Try Awarded
7:59 minutes or earlier	74:59 minutes or earlier
8 minutes or later	75 minutes or later
No try scored	No try scored

16. BetEasy advised that due to a technical error, the selections for time of last try awarded were incorrectly published within the time of first try awarded market. BetEasy further advised that the error meant that not only the wrong prices were displayed but the wrong selections.
17. Additionally, BetEasy advised that the first try has been scored within the first 75 minutes of all 136 matches played in the 2019 NRL season and that in approximately 50% of the matches played, the first try is scored within the first 8 minutes. As a result, the correct odds for a selection of this nature would be \$1.01 or less.
18. BetEasy advised that it removed the betting markets at 5:02 pm after having identified the error shortly before this. BetEasy stated that each of the complainant's multi bets was cancelled at 5:06 pm and the stakes returned to the complainant at this time which was 24 minutes before the start of the first match.
19. BetEasy further submitted that at 5:53 pm, the complainant was first notified that the bets had been cancelled and this stakes had been refunded in accordance with its terms and conditions. BetEasy advised that it again notified the complainant at 6:18 pm that his bets had been cancelled.
20. The Commission has reviewed the official NRL Telstra Premiership Draw for 2019 and notes that the Knights v Sea Eagles match was scheduled to be played at the McDonald James Stadium on 13 April 2019 with a kick off time of 5:30 pm. The Commission has also reviewed the complainant's BetEasy betting records and notes that the four multi bets that the complainant had placed were cancelled by BetEasy at 5:06:01 pm on 13 April 2019 and the stakes refunded to the complainant's betting account, which accords with BetEasy's claims that the bets

were cancelled some 24 minutes prior to the start of the first match of each of the first legs of the complainant's multi bets.

21. The Commission has also sighted an email to the complainant from BetEasy, time stamped at 5:53 pm in which the complainant was advised that a palpable error had occurred and that the bets that he had placed had been cancelled. The Commission has sighted a further email time stamped at 6:18 pm in which the complainant was again advised that his bets had been cancelled in accordance with BetEasy's terms and conditions.
22. The Commission has no reason to doubt BetEasy's submission that the market on offer for each of the matches was offered in error as a result of technical error, given that BetEasy took down the betting market as soon as the error was identified and voided all bets struck. As such, the Commission must therefore turn its mind to whether the market offered along with the prices offered when the bets were struck was not simply offered as a result of an error but that the error was an obvious or manifest one, noting that the Commission need only be satisfied that one limb can be sustained; either obvious or manifest.
23. The meaning of manifest or obvious error has been considered many times by the Commission and as detailed in previous Commission decisions, it is the view of the Commission that a manifest error is one that can be determined on its face without the need to look for any evidence or background information, such as letters being interposed within betting odds. An obvious error on the other hand is one that is easily seen, perceived and recognised. The error needs to be apparent and not difficult to observe.
24. Historical data is often relied upon by the Commission to assist in its determination as to whether an error was an obvious error as it allows probative evidence to be utilised rather than supposition or assumption. In this respect, BetEasy has provided evidence of the betting markets offered by BetEasy in relation to first try awarded and last try awarded during the Manly Warringah Sea Eagles versus Parramatta Eels match played on 21 July 2019 that accords with the markets outlined at paragraph 15 above. The Commission accepts that this is only one example however notes that this particular betting market example was provided to the Commission's betting inspector several days after the game occurred and was in response to follow up questions raised by the Commission's betting inspector.
25. BetEasy has also advised the Commission that given that the betting market on offer on 13 April 2019 allowed bets to be placed on the first try to be scored within the first 94% of game time is also evident that an obvious mistake has been made.
26. Given the evidence of BetEasy that the first try has been scored within the first 75 minutes of all 136 matches played in the 2019 NRL season and that in approximately 50% of the matches played, the first try is scored within the first 8 minutes coupled with the historical data referred to in paragraph 24 above and the fact that the bets placed by the complainant were for the first try to be scored anytime in the match barring the last 5 minutes and 1 second, it is difficult for the Commission to come to any other conclusion than that the betting markets on offer were as a result of an obvious error.
27. The Commission also notes that the complainant's betting records do not accord with his version of events that the bets he had placed were only cancelled after the first leg of each of his bets had already been resulted. Whilst the complainant may

have received notification that the bets had been cancelled after the first game had commenced, the betting records show that the bets were cancelled some 24 minutes prior to the first game's kick off time.

### Betting History

28. As discussed earlier in this decision, the Commission when considering gambling disputes involving a sports bookmaker will also turn its mind to whether the claimed error would have been discernible to a sports bookmaker customer with a reasonable knowledge of betting; as well as a knowledge of the sport involved in the betting markets in question.
29. The Commission has been advised that the betting records for the complainant detail that the complainant opened his betting account with BetEasy in early 2018 and has placed over 4,500 bets since that time with the four largest of bets ever placed prior to this matter being \$100, \$100, \$140 and \$300.
30. The bets subject of this gambling dispute of \$500, \$500, \$516 and \$2016 are clearly the largest bets that the complainant had placed at the time of the events subject of this gambling dispute. The Commission has further been advised that there is no other event in the complainant's betting records where he placed four identical bets on the same event in such a short period of time.

### **Decision**

31. The Commission is authorised, following an investigation, to declare that a disputed bet is lawful or not lawful so far as the requirements of the Act are concerned.
32. In deciding whether a bet is lawful, the Commission must look to the substance of the transaction and whether it should be enforced or not. When determining matters involving the use by a sports bookmaker of the 'error rule' to void bets that have been struck, the Commission will also look at whether the 'error rule' has been implemented reasonably and fairly.
33. In this matter, the Commission has determined that the complainant's bets are lawful bets pursuant to section 85(1A) of the Act given that they were struck in accordance with the Act, relevant Codes of Practice, the conditions of the sports bookmaker licence held by BetEasy and BetEasy's terms and conditions.
34. However, sports bookmakers typically offer a wide variety of betting markets at any given moment and unfortunately from time to time, obvious errors are made through human or system error. In examining the evidence before it, the Commission is satisfied that the betting markets offered by BetEasy in relation to the time of the first try awarded in the 13 April 2019 match between the Newcastle Knights and Manly Warringah Sea Eagles and the Cronulla-Sutherland Sharks and Sydney Roosters match were offered in obvious error.
35. While it is unfortunate that the bets were struck on betting markets that were clearly offered in obvious error, it is the view of the Commission that BetEasy in accordance with its terms and conditions, to which the complainant agreed to at the time of opening his betting account, implemented its error rule reasonably and fairly and was entitled to void the bets (which it did so before the commencement of the first game) and notify the complainant of its decision to do so.

36. As such, it is the view of the Commission that there is no outstanding monies payable by BetEasy to the complainant.

### **Review of Decision**

37. 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

28 February 2020