

NORTHERN TERRITORY RACING COMMISSION

Reasons for Decision

Complainant:	Mr A
Licensee:	Entain Group Pty Ltd - Ladbrokes
Proceedings:	Gambling Dispute for determination by Northern Territory Racing Commission (pursuant to section 85(2) of the <i>Racing and Betting Act 1983</i>)
Heard Before: (on papers)	Ms Cindy Bravos (Presiding Member) Ms Amy Corcoran Mr Kris Evans
Date of Decision:	23 March 2022

Background

1. On 5 August 2020, pursuant to section 85(2) of the *Racing and Betting Act 1983* (the Act), the complainant lodged a gambling dispute with the Northern Territory Racing Commission (the Commission) against Ladbrokes - a sports betting platform that is now operated under the sports booker licence held by Entain Group Pty Ltd (Entain) which also operates the betting platforms Betstar, bookmaker.com and Neds.com.au.
2. The substance of the gambling dispute is that the complainant was able to open a new betting account with Ladbrokes despite having previously excluded on a permanent basis from using the services of the sports bookmaker.
3. Information was gathered from the parties involved by Licensing NT officers appointed as betting inspectors by the Commission and provided to the Commission, which determined that there was sufficient information before it to consider the gambling dispute on the papers.

Consideration of the Issues

4. The sequence of events that led to the lodgement of this gambling dispute are as follows:
 - a. complainant opened a betting account with Ladbrokes on 31 July 2018 (on the same day and using the same identification details, the complainant also opened a betting account with neds.com.au which at that time operated under a different sports bookmaker licence);
 - b. complainant requested that his betting account be permanently excluded on 24 October 2018 however in error (due to the telephone operator not correctly hearing the request), Ladbrokes marked the account as closed and not as self-excluded;
 - c. complainant requested Ladbrokes to re-open his betting account on 2 November 2018 which Ladbrokes did given the account was not marked as self-excluded;

- d. complainant requested that his betting account be permanently excluded on 18 November 2018 and on this occasion Ladbrokes correctly closed the account and marked it as self-excluded;
 - e. complainant requested Ladbrokes to re-open his betting account on 21 November 2018, however Ladbrokes refused the complainant's request due to the account being marked as self-excluded;
 - f. complainant queried why he was not able to re-open the betting account on this occasion and following an investigation by Ladbrokes was advised that an error had been made in allowing him to re-open the betting account on 2 November 2018 and as a result, Ladbrokes returned all the deposits made by the complainant from the account re-opening on 2 November 2018 through to its closure on 18 November 2018;
 - g. complainant opened a new betting account with Ladbrokes on 31 August 2019 providing the same surname and date of birth however, other identification details provided differed from the identification details provided at the time of opening the first betting account with Ladbrokes;
 - h. following the complainant making telephone contact with Ladbrokes on 26 September 2019 during which he advised Ladbrokes of the existence of the earlier Ladbrokes' betting account, Ladbrokes placed a permanent closure on the second Ladbrokes' betting account.
5. Given the actions of Ladbrokes in returning the deposits the complainant made into the first betting account between 2 November 2018 and 18 November 2018 (as detailed at paragraph 4(f) above), the complainant is now seeking a similar outcome for the deposits made into the second betting account between 31 August 2019 and 26 September 2019.
 6. Of interest in this respect is that throughout the lifetime of the second betting account, the complainant made deposits of \$15,326.95 into the betting account however, also made withdrawals of \$17,405 from the account. Given this, the complainant has actually made a profit from operating the second Ladbrokes betting account and to now seek the return of the deposits made into that betting account in addition to the profits that he has already taken as a result of operating the betting account, seems to the Commission somewhat duplicitous.
 7. The Commission notes though that while for many people, gambling is a harmless entertainment, this is not the case for all people who engage in gambling activity and that in some circumstances, some people are unable to control the urge to gamble despite knowing that it is having a negative impact on their lives.
 8. With this in mind and in order to minimise the harm that may be caused by online gambling, the Commission introduced the Northern Territory Code of Practice for Responsible Service of Online Gambling 2019 (the 2019 Code) which came into effect on 26 May 2019, having replaced the Northern Territory Code of Practice for Responsible Gambling 2016. Part 4 of the 2019 Code deals with the regulatory requirements in relation to persons being able to exclude themselves from being able to use the gambling services of an online gambling operator and details at Clause 4.2(e) that where a person requests that they be permanently self-excluded for any reason or is permanently excluded by the online gambling provider due to problem-gambling concerns, the online gambling provider must not knowingly permit that person to re-open or open a new account.

9. It is the responsibility of the online gambling provider to put procedures in place to prevent a self-excluded customer from using its services however, there will be occasions where customers who have self-excluded will be able to gamble without being identified as a self-excluded customer due to a technical or human error or due to that person deliberately (or unintentionally) circumventing online gambling operators' systems by providing differing identification details.
10. It is also the responsibility of the person who has sought to be self-excluded from an online gambling operator to not attempt to gamble with that operator again. Of interest to the Commission in this regard is that the complainant attempted to open a betting account with Betstar on 10 June 2020 and again on 15 August 2020 and due to the Betstar platform being operated by the same licensee who also now operates the Ladbrokes betting platform, the complainant was unable to do so as his identification details matched those recorded for his self-excluded status in the Entain databases.
11. At the forefront of the Commission's considerations in considering disputes of this nature, is whether the system utilised by Ladbrokes at the time of the complainant's opening of the second betting account was sufficient to prevent self-excluded customers from returning to use its services.
12. All sports bookmakers that have a gambling dispute lodged against them with the Commission are given an opportunity to respond to the allegations contained within that dispute. In respect of this matter, Ladbrokes advised that it:

...has measures in place to prevent the sign up of previously excluded clients. These measures prevent an account from being opened if the details used match a certain combination of details used by excluded clients. In this case, [the complainant] has used a combination of details sufficiently different to those supplied by him on his original accounts and has circumvented Ladbrokes' measures. While Ladbrokes does not contend [the complainant] has used false details to create the second Ladbrokes account, Ladbrokes believes [the complainant] deliberately provided sufficiently different details in order to circumvent Ladbrokes' security measures.
13. Ladbrokes further advised that:

The first name, email address, phone number, residential address and username all differ from the original Ladbrokes and Neds accounts. Additionally, the bank cards used to make deposits on the second Ladbrokes account do not match any cards used on the original accounts.
14. Having reviewed the identification details used by the complainant to open each of the Ladbrokes' betting accounts as provided to the Commission by Ladbrokes, the Commission notes that as claimed by Ladbrokes, the same surname and date of birth was provided by the complainant however, the first name, email address, physical address, phone number and username differed. It is apparent that these details were sufficiently different not to trigger a match in the sports bookmaker's database and as a result the complainant was not identified as a previously self-excluded customer of Ladbrokes.

15. In addition to its obligations under the 2019 Code in relation to self-excluded persons, sports bookmakers licensed in the Northern Territory are also required to comply with Australian Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) legislation and must have in place policies and procedures which manage the risk that their operations could be used for money laundering or terrorism financing. A fundamental AML/CTF obligation is the requirement to identify clients and to verify their identity, a process which is generally described as Know Your Client (KYC). The KYC process is usually outsourced to a third-party however while this may occur, the sports bookmaker retains overall responsibility for its conduct.
16. To assist the Commission with its considerations in this matter, it sought copies of the KYC verification records for each of the Ladbroke's betting accounts opened by the complainant and notes that they match the details provided to the Commission by Ladbrokes in their response to this dispute in all regards excepting one important aspect. In relation to the opening of the first Ladbrokes' betting account, the KYC verification records show that the identification details recorded for the verification process included a first name, a middle (or other) name and a last name whereas the identification details recorded for the verification process for the second betting account include a first name and last name only. However, when the first name and middle name from the first betting account are joined together, this combined name exactly matches the full first name recorded for the second betting account.
17. As detailed earlier, there is a positive onus on the person who has sought to be self-excluded from an online gambling operator to not attempt to gamble with that operator again. This is emphasised in Ladbroke's terms and conditions which includes the following clause at 10.1(d):

By opening an Account with us and every time you access or use our Betting Platforms you warrant to us and agree that you:

.....

d. have not self-excluded from gambling with us or with any other wagering operator; ...
18. It is apparent through the opening of the second betting account with Ladbrokes, that the complainant has not complied with this component of the terms and conditions which both parties are bound by when the account was opened and each time a bet is struck.
19. The Commission has not mandated what checks must be undertaken by a sports bookmaker in order to limit the possibility that a self-excluded customer does not open a new betting account but it does expect licensees to take all reasonable steps to refuse service or to otherwise prevent a self-excluded person from using its gambling services.
20. Given the fact that it is not highly unusual for phone numbers, email and residential addresses to change over time, it could be argued that the name details provided to Ladbrokes by the complainant during the opening of the second betting account were sufficiently similar to warrant further checking which if had happened, would likely have led to the result of the second account being linked to a self-excluded account. However, it could also be argued that given that the first names provided by the complainant for each betting account were not identical, it is unreasonable to expect Ladbrokes to have knowledge that the complainant had used a shortened first name when opening the original betting account.

Decision

21. On the weight of evidence before it, the Commission is not satisfied that Ladbrokes knowingly permitted a self-excluded person to open a new betting account with it.
22. In coming to this determination however, the Commission is of the view that Entain should review its processes in order to determine whether they can be refined so that if presented with a similar set of circumstances as presented in this matter, it would lead to the identification of a self-excluded customer attempting to open a new betting account. The Commission welcomes receiving advice from Entain within three months of the date of this decision, as to what, if any improvements have been identified and implemented.
23. Given the Commission's determination, the Commission is not of the view that any monies should be returned to the complainant and that all bets made during the lifetime of the complainant's second Ladbrokes betting account should stand as lawful bets.

Review of Decision

24. 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

23 March 2022