

NORTHERN TERRITORY RACING COMMISSION

Reasons for Decision

Complainant:	Mr R
Licensee:	BET365
Proceedings:	Pursuant to Section 85(4) of the <i>Racing And Betting Act</i> – Referral of Dispute to Racing Commission for Determination
Heard Before:	Mr John Boneham(Presiding Member)
(on papers)	Mr Andrew Maloney Mr Jim McNally
Date of Decision:	11 February 2016

Background

- 1) On 8 July 2015, Mr R lodged a gambling dispute with the Racing Commission (“the Commission”) against the bookmaker BET365. Mr R made a comprehensive submission regarding BET365 and their settling and then resettling of several wagers at reduced odds. BET365 sought to resettle the wagers by application of their obvious error rule, contained in Clauses 6.1 and 6.2 of their Terms and Conditions.
- 2) The above Clauses are detailed below and will be referred to throughout this determination.
 - **RULE 6.1**

BET365 will not be liable for any error in respect of bets or wagers where:

 1. BET365 has incorrectly stated the relevant odds / spreads / handicap / totals / cash out amount;
 2. BET365 continues to accept bets or wagers on closed or suspended markets; or
 3. BET365 incorrectly calculates or pays a settlement amount
 - **RULE 6.2**

Incorrect price – prior to the start of an event, in play or after the event where an obvious error is identified any bets will stand and be settled at the BET365 revised price. Where a revised price is determined less than 1.001 then bets will be void.

Where there is sufficient time before the start of the event BET365 will endeavour to contact the customer and may in our absolute discretion allow the option of cancelling the bet.
- 3) It is important to note that given the disputed wagers were made “in play” via the BET365 website there was not sufficient time for negotiation between the bookmaker and customer to take place.

- 4) Rule 6.2 is the more relevant of the two rules in this particular case. It is upon this rule that BET365 rely on making their decisions to apply reduced odds.
- 5) It is important to note that Mr R has indicated both by written email and in phone conversations with BET365 staff, that he has read and is aware of BET365 Rules 6.1 and 6.2.
- 6) The matters in dispute (seven in total) relate to wagers placed on three different table tennis events and were placed utilising the Max Bet facility on the BET365 website on 24 June 2015. Mr R was watching the events live and placed his bets at the conclusion of important points in the matches.
- 7) Upon noticing that BET365 was failing to update its odds quickly at the conclusion of these points he sought to place large wagers at the price offered by BET365 prior to the point being decided.
- 8) In the case of three of the seven wagers placed the outcome of the particular point still resulted in the wager being a loss situation to Mr R. However in four others they resulted in a positive outcome of the match in favour of Mr R's wager.
- 9) BET365 contend in their submission to the Commission that Mr R was aware of the outcome of these critical match points and also aware of BET365 being slow to adjust the odds offered on the outcome of each match point.
- 10) Accordingly they then go on to state they believe he sought to gain unfair advantage of the situation and are claiming relief under Rule 6.2 (Obvious errors).
- 11) A summary of the disputed wagers is provided below:

Bet Details	Date/Time	Stake	Return
Takuya Jin to win game 6 @ 1.20 60,000.00 AUD Single	24/06/2015 19:47:02	60,000.00	0.00
Takuya Jin to win game 6 @ 1.25 48,000.00 AUD Single	24/06/2015 19:46:14	48,000.00	0.00
Benjamin Brossier to win game 4 @ 1.083 144,000.00 AUD Single	24/06/2015 19:39:48	144,000.00	0.00
Eugene Wang to win game 5 @ 1.083 144,000.00 AUD Single	24/06/2015 19:37:17	144,000.00	156,000.00
Benjamin Brossier to win game 1 @ 1.12 96,000.00 AUD Single	24/06/2015 19:18:22	96,000.00	108,000.00
Takuya Jin to win game 3 @ 1.11 108,000.00 AUD Single	24/06/2015 19:15:50	108,000.00	120,000.00
Eugene Wang to win game 2 @ 1.16 72,000.00 AUD Single	24/06/2015 19:08:17	72,000.00	84,000.00

- 12) Mr R contends that he was placing wagers at what he believed was a set price at the time but which were subsequently adjusted downward by BET365 after realising their error.

- 13) He therefore argues that had he known of the reduced odds at the time of placing the wagers he may not have risked the same amounts or even not have made the wagers at all. Accordingly he is seeking to have his bets voided.
- 14) Initially BET365 remained firm on their ruling that all bets would stand at the adjusted prices. However as a matter of good faith they offered Mr R the option of all bets standing but at the original odds quoted.
- 15) This offer was rejected by Mr R and as a result the matter is now before the Commission.

Facts of the Matter

- 16) Mr R has put forward the following arguments in support of his request that all seven wagers be declared void.
- 17) He contends both in writing and in a lengthy phone conversation with BET365 staff that and we quote "Here is a clear imbalance in fairness. If I make a bet on odds that are incorrect either of the following will occur:
 - In the case of a winning bet, the bet will either be void or revised subject to BET365's discretion; or
 - In the case of a losing bet the bet will stand.

Regardless BET365 wins. They are able to completely or partially avoid liability for errors on their end and either take the losses or reduce the winnings. How is this fair when the error is on their behalf and is not made aware to me nor is it obvious enough for me to know".

- 18) The above transcript is part of a more lengthy submission by Mr R which has been fully scrutinised and considered by the Commission.
- 19) The salient point in this case is contained in the final sentence at paragraph 17 (above):

"How is this fair when the error is on their behalf and is not made aware to me nor is it obvious enough for me to know".
- 20) Both points raised regarding notification to the punter of adjusted odds and also the issue as to whether the error was obvious to Mr R have been explored at length by the Commission and will be determined later in the report.
- 21) Mr R has also made a lengthy submission regarding the legal aspects relating to a wagering transaction. He contends that in law, a wager between two parties constitutes a contract and as such should not be varied without the consent of both parties.
- 22) This is problematic in the case of "live betting" using the internet, as there is insufficient time for the parties to agree on any variation to odds, as was the case in all seven disputed wagers.
- 23) This is a matter considered by the Commission in train with the remedy sought by the bookmaker in claiming relief under its Rule 6.2.

- 24) Mr R also raised the issue of two other bookmakers who are regulated by the Commission having voiding provisions enshrined in their Terms and Conditions, where obvious errors are identified.
- 25) This matter has also been considered at length by the Commission and will be determined later in this decision.
- 26) An important point and one that has been raised previously at paragraph 5 of this decision is that Mr R has acknowledged that he is fully aware of the bookmaker's Clauses 6.1 and 6.2 contained in their Terms and Conditions.
- 27) It is therefore up to the Commission to consider all aspects of this case and determine an outcome based on the facts as presented by both parties to the dispute.

Consideration of the Issues

- 28) Central to this dispute is the bookmaker's decision to seek respite to Mr R's claim under Rule 6.2 of its Terms and Conditions.
 - **RULE 6.2** being as follows:

"Incorrect price – prior to the start of an event, in play or after the event where an obvious error is identified any bets will stand and be settled at the BET365 revised price. Where a revised price is determined less than 1.001 then bets will be void".
- 29) It is therefore up to the Commission to determine if Mr R was aware of BET365's alleged obvious error and sought to take advantage of it.
- 30) In the eyes of the Commission the issue of a wager being a contract at law and subject to rules around changes to that contract are a matter for the courts to decide, should our ruling not be in favour of both parties.
- 31) The Commission has also considered Mr R's submission that two other bookmakers have different Terms and Conditions to BET365 around how wagers are settled in the event of an obvious error. This is a matter to be addressed in our final determination.

Decision

- 32) With regards Mr R's submission that two other regulated bookmakers have voiding provisions in their Terms and Conditions we make the following finding:
- 33) Notwithstanding these voiding provisions Mr R has accepted and acknowledged Clause 6.1 and 6.2 of BET365's Terms and Conditions, which allow the bookmaker to claim recourse in the case of obvious errors.
- 34) We as a Commission find that given the above circumstances Mr R is bound by BET365's rules and the other bookmaker's Terms and Conditions are their commercial business and not related to Mr R's claim against BET365.

- 35) Now we turn our attention to the crux of the matter, that is BET365's claim that Mr R was aware of the shortcomings in its online systems and sought to take financial advantage as a result.
- 36) Firstly Mr R by his own admission acknowledged the validity of Rule 6.2 and his acceptance thereof. He does however strongly dispute its fairness given that in his opinion he did not seek to take unfair advantage of the lag in pricing adjustments relating to the three table tennis matches in question.
- 37) In regards to its decision, the Commission has taken into account the following factors:
- Mr R has been a client of BET365 for approximately two years and was no stranger to the workings of the Max Bet function on live betting applications.
 - Indeed in this case it is evident that Mr R was prepared to wager very large sums to gain maximum financial advantage using the Max Bet system.
 - It is evident to the Commission from the bookmakers audit logs that Mr R continued to place these very large wagers knowing that an important point in the match had been determined without subsequent adjustment in price by the bookmaker.
- 38) Accordingly we as a Commission are satisfied in our finding that Mr R did seek to exploit the short comings in BET365's live betting odds service, as he would have been aware of those short comings being an astute and experienced user of the service.
- 39) Further we consider the fact this happened in seven separate instances indicates to us that Mr R was well aware of the situation and sought to take unfair advantage.
- 40) It then follows that the Commission finds in favour of BET365, thereby ruling the wagers legitimate and that they must stand.
- 41) The matters raised by Mr R regarding a perceived violation of contract law are a matter for him to pursue through the judicial system, should he see fit.
- 42) In conclusion we make no ruling on BET365's offer to Mr R to honour all wagers at their original prices. We see this as a matter to be negotiated further by both parties.



John Boneham
Presiding Member

11 February 2016