

NORTHERN TERRITORY RACING COMMISSION

Reasons for Decision

Complainant:	Ms S
Licensees:	Neds.com.au (now GVC Australia Pty Ltd) Ladbrokes Digital Australia Pty Ltd (now GVC Australia Pty Ltd)
Proceedings:	Gambling Dispute for determination by Racing Commission pursuant to section 85(2) of the <i>Racing and Betting Act 1983</i>
Heard Before: (on papers)	Mr Alastair Shields (Presiding Member) Ms Cindy Bravos Mr Allan McGill
Date of Decision:	2 November 2020

Background

1. On 10 October 2018, the complainant lodged a gambling dispute with the Northern Territory Racing Commission (the Commission) pursuant to section 85(2) of the *Racing and Betting Act 1983* (the Act), against the licensed sports bookmaker, Neds.com.au (Neds). In that complaint, the complainant alleges that:
 - a. Neds had failed to correctly calculate the winnings payable on “...hundreds” of bets struck between May 2018 and 5 August 2018;
 - b. Neds did not provide the complainant with her full betting history despite multiple requests; and
 - c. when she was provided with a spreadsheet summarising her betting history with Neds, this spreadsheet was not correct.
2. In support of her complaint against Neds, the complainant has provided the Commission with her extensive calculations of what she considers that the winnings payable should be in relation to fifty bets that she placed with Neds and in doing so, alleges that she is owed “...tens of thousands of dollars.”
3. On 31 May 2019, the complainant lodged a further gambling dispute with the Commission against the licensed sports bookmaker Ladbrokes Digital Australia Ltd (Ladbrokes). In that complaint, the complainant alleges that on 3 May 2018 Ladbrokes suspended her betting account while it sought additional information from her which resulted in her not being able to place winning bets while the account was suspended.
4. Due to a number of corporate changes involving Neds, Ladbrokes and GVC Australia Pty Ltd (GVC Australia), the Neds and Ladbrokes betting platforms no longer operate under their respective individual sports bookmaker licences, rather both betting platforms now operate under a sports bookmaker licence issued by the Commission to GVC Australia. As such, the Commission has determined to deal with the two gambling disputes in the one decision notice and any determinations

made by the Commission regarding the complainant's two gambling disputes will apply to the GVC Australia sports bookmaker licence.

5. Information was gathered from each of 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 disputes on the papers.

GAMBLING DISPUTE 1 - NEDS

Consideration of the Issues

Betting Markets

6. Sports betting is a form of gambling that involves a bet being struck on the outcome of a sporting event. Being able to calculate how much a bet returns for any given stake is one of the basics of betting and is a relatively easy calculation where the bet struck is of a basic nature. For example, a basic winning bet with a stake of \$2 at fixed odds (or a price) of \$4 will result in the bettor receiving a winning payout of \$8.
7. However, with the continuing growth of the online sports betting industry in Australia and around the world, sports gamblers are not only now provided with a wide range of choice as to who they bet with but also access to a wide variety of bet types that can be placed. The betting markets that are now available can range from a basic single bet through to more complex betting markets such as spread betting where the more right you are, the more money you win, multiple betting (multi bet) whereby the bettor can combine a series of single bets into one bet with the odds multiplying with each additional leg and an extension of that being, combination multiple betting (combo multi bet) which involves a cluster of bets covering all of the possible multi bet permutations selected.
8. Given the complexities of some of the betting markets now available, calculating a winning payout has also become more complex and it would appear that as a result, there has been a significant increase in the number of betting calculators now available online for sports betting gamblers to use to determine the payout that they would receive if they were to place a particular winning bet.

Combination Multi Bets

9. A multi bet is a bet type whereby the bettor can combine a series of single bets into one bet with the odds multiplying with each additional leg. Each time a leg is successful, the dividend and original bet from that leg are bet on the next leg. Generally, the more legs in a multi bet, the larger the dividend will be. In a multi bet, only one stake is placed. If the first leg wins, that stake and the winnings are used to back the second leg and so on. If any of the legs that are backed lose, the multi bet as a whole results in a losing bet.
10. Calculating the winning payout on a successful multi bet is relatively easy. By way of example, when a bet stake of \$10 is placed on a bet that consists of three legs for which the following odds are offered: leg 1 = \$2.40; leg 2 = \$1.80; leg 3 = \$1.40 and each of the legs selected are successful, the winning payout is calculated by simply multiplying the stake of \$10 by leg 1's price of \$2.40 (\$24.00), this amount is

then multiplied by leg 2's price of \$1.80 (\$43.20) which is then multiplied by leg 3's price of \$1.40, resulting in a total winning payout of \$60.48.

11. However, a combo multi bet differs significantly from a multi bet in that it is not simply one bet made from a series of single bets, but a cluster of bets covering all of the possible multi bet permutations selected. A combo multi bet also differs from a multi bet in that the total bet stake is divided between each possible combination available. As a result, parts of the combo multi bet may still be successful, even if one or more of the selections backed, loses.
12. While the placement of a combo multi bet reduces risk through the division of the stake amongst each of the combinations, the compromise is that as the stake is divided, the potential payout will be smaller than if the full stake had been wagered on a single bet or multi bet.
13. As a result, in order to calculate the correct payout on a combo multi bet, it is firstly necessary to divide the total stake of the bet by the number of combinations that are created by the bet. The number of combinations created is dependent on the bet placed.
14. By way of example, if a bet placed was for any 3 legs to win out of 5 legs, the number of possible combinations is 10. Therefore if the bet stake was \$10, the stake would be divided by the 10 combinations which would amount to \$1 being allocated to each of the possible 10 combinations ($\$10.00/10 = \1). Another example that results in a much larger number of combinations is when a bet is placed for any 8 legs to win out of 11 legs. In this example, the number of possible combinations is 165 so if the bet stake was again \$10, the stake would be divided by 165 and therefore each combination would be allocated 6 cents ($\$10.00 / 165 = 0.06$). There is a mathematical formula that can be used to ascertain the number of combinations that a bet will create however, given the complexity of the formula it is much easier for a bettor to access the various combination calculators online to ascertain how many combinations would be created by any potential bet.
15. Once the number of combinations is known and therefore how much of the total bet stake is allocated to each combination, the process by which to calculate the winning payout if the selected legs are successful requires that each individual combination is assessed as to firstly whether it was a winning combination and then secondly for those winning combinations, multiplying the price offered by the amount of the stake allocated to the combination.
16. Looking at the example of a bet placed for any 3 legs to win out of 5 legs, where the number of possible combinations is 10 and therefore each combination is allocated \$1 of the total bet stake, it is then necessary to calculate the winning bet based on the prices offered. For example, if the prices offered were leg 1 - \$1.70; leg 2 - \$1.25; leg 3 - \$2.20; leg 4 - \$1.50; leg 5 - \$2.00 and the first three legs selected were successful, the winning payout would be calculated by firstly determining how many of the 10 combinations were successful which in this case is one combination (with the remaining 9 combinations being losing combinations) and then multiplying the \$1 stake allocated to that one combination by the prices offered for leg 1, leg 2 and leg 3 which results in a winning payout of \$4.675 ($\$1 \text{ stake} \times \$1.70 \times \$1.25 \times \$2.20 = \4.675). Alternatively if the winning legs were legs 1, 3 and 5, the winning payout would be \$7.48 ($\$1 \text{ stake} \times \$1.70 \times \$2.20 \times \$2 = \7.48).

17. However, if the selections had resulted in the first 4 legs of the 5 legs being winning selections then the number of successful combinations rises from one in the above example to four of the 10 combinations being successful. Each of these four combinations then needs to be calculated separately and then added together to obtain the total winning payout amount. This calculation becomes complex but by way of example if we use the same prices offered as above, then the following combinations would be successful combinations and result in the following winning payout:

- Leg 1, Leg 2, Leg 3 ($\$1 \text{ stake} \times \$1.70 \times \$1.25 \times \$2.20 = \$4.675$)
- Leg 1, Leg 2, Leg 4 ($\$1 \text{ stake} \text{ by } \$1.70 \times \$1.25 \times \$1.50 = \$3.1875$)
- Leg 1, Leg 3, Leg 4 ($\$1 \text{ stake} \text{ by } \$1.70 \times \times \$2.20 \times \$1.50 = \$5.61$)
- Leg 2, Leg 3, Leg 4 ($\$1 \text{ stake} \times \$1.25 \times \$2.20 \times \$1.50 = \$4.125$)

★ Total Winning Payout = \$17.5975

18. Should all 5 legs be winning selections, then all 10 of the available combinations would be winning combinations and each combination needs to be calculated in the same manner as above and would result in a total winning payout of \$50.2775.

Each-Way Bets

19. An Each-Way bet is essentially two separate bets of equal amounts with the first bet being for the selection to win (a win bet) and the second bet being for the selection to highly place in the sporting event subject of the betting market on offer (a place bet). An Each-Way bet is commonly used in horse racing with the first bet being successful if the horse selected wins the race and the second bet also being successful as the horse selected has placed highly by winning the race. If however, the horse places second or third then it is only the second bet (for the place) that is successful.
20. Given Each-Way bets are essentially two bets, the bet stake doubles when an Each-Way bet is made. By way of example, if the total bet placed has a stake of \$4, this will mean that \$2 has been placed on the first bet of the selection to win and \$2 has been placed on the second bet of the selection to place (ie a \$2 Each-Way bet will cost \$4).
21. Determining the winning payout on an Each-Way bet is dependent on whether the successful selection wins or places. By way of example, if a \$10 Each-Way bet (total stake is \$20) is placed with a price of \$6 for a win and a price of \$2 for a place and the selection wins, the first bet calculation consists of \$10 multiplied by \$6 being \$60. The second bet is also a winning bet as the selection placed highly and is calculated by multiplying the second bet's stake of \$10 by \$2 being \$20. Combining the winnings of the two bets amounts to a winning payout of \$80.
22. If the selection only places, then it is only the second bet that is paid out at \$20. The first of the two bets is a losing bet so there are no winnings applicable for that bet.

Neds' Response to Dispute

23. All sports bookmakers licensed by the Commission are given an opportunity to respond to any gambling disputes made against them. In respect to the gambling dispute against Neds, Neds has advised the Commission that the majority of the bets placed by the complainant were combo multi bets as well as a small number of the bets that were each-way bets and that the winning payout amounts resulting from each of the complainant's bets were calculated correctly by Neds.
24. Neds advised the Commission that in its view, the gambling dispute has arisen as the complainant has misunderstood:
 - a. the amount of the stake to be applied to each combination from the total amount wagered;
 - b. how returns are calculated for successful combo multi bets; and
 - c. the amount of the stake to be applied to each way bets when only one part of that bet is successful (either a win or a place).
25. During the Commission's betting inspector's investigation of this gambling dispute, Neds undertook a further detailed review of each of the fifty bets that the complainant provided for which she claims winning payouts were calculated incorrectly and again provided the Commission with its calculations and advised that each of the bets' winning payouts had been correctly calculated.

Audit Log

26. It is a requirement of all sports bookmaker licensed in the Northern Territory to maintain a secure, independent audit log that can be accessed by the Commission to review betting transactions. Upon a bet being struck with a sports bookmaker, the bet is also recorded in the audit logs of the Commission. Should the sports bookmaker attempt to change the bet recorded in their own audit logs there would be a clear discrepancy when compared to the Commission's audit log.
27. With respect to this gambling dispute, an officer from Licensing NT's Gambling Systems Unit reviewed data in relation to five of the fifty bets subject of this gambling dispute and confirmed that apart from some inconsistency in ticket numbering and small rounding discrepancies, the calculation of the winning payouts for each of the bets was correct.
28. Further to this, a member of the Commission's panel hearing this dispute also accessed the Commission's audit log and examined three further bets from the fifty bets in dispute on a random basis and was satisfied that each of those bets' winning payouts had also been calculated correctly.
29. The Commission has also reviewed the complainant's calculations and agrees with the view put forward by Neds that the complainant does not appear to understand fully how a combo multi bet operates, in particular how much of the total stake is applied to each combination nor how each winning combination's payout is calculated.

30. The Commission also concurs with the view expressed by Neds that the complainant has also a mistaken understanding in relation to how the total bet stake is applied to each-way bets and how they are calculated if one or both of the bets is successful.

Provision of Betting History

31. The complainant has advised the Commission that during the process of attempting to resolve her gambling dispute directly with Neds, she requested Neds to provide her with her full betting history including a digital view on multiple occasions. Specifically, the complainant advises that she contacted Neds on 12 August 2018 and requested a printout of her betting history and was advised that it would be provided within the next 5 minutes. However, a short time later she alleges she was then advised that her request could not be completed due to technical issues

32. The complainant provided the Commission with a copy of an email that she received from Neds on 28 August 2018 in which Neds advised her that:

On 12/08/2018, you contacted Neds and requested a full betting statement from a Customer Service consultant. This consultant did not actually have the ability/permissions to generate client statements. He was unaware of this and thought it to be an IT issue. Neds apologises for this inconvenience; however we did discuss this with our IT Department and your statement was generated and emailed to you on 20/08/2018.

With regards to reviewing your transaction statement online, Neds can assure you that all your account activity is present in these pages, however we do understand you are dissatisfied with the way this is displayed. Neds is currently working on improving this customer experiencing and will be releasing an updated transactional statement in the near future. We apologise for the inconvenience.

33. The complainant has also provided the Commission with a copy of correspondence dated 28 August 2018 between her then legal representative and Neds. In that correspondence, the complainant's then legal representative asserted that it is a requirement of the Northern Territory Code of Practice for Responsible Gambling 2016 (the 2016 Code) for sports bookmakers to provide a copy of the digital view of the complainant's betting account.
34. In this respect, the Commission advises that pursuant to the Act and licence conditions, all Northern Territory licensed sports bookmakers are required to comply with the Northern Territory Code of Practice for Responsible Service of Online Gambling 2019 (the 2019 Code). The 2019 Code came into effect on 26 May 2019, having replaced the 2016 Code. As the activity subject of the gambling dispute against Neds occurred in 2018, the 2016 Code applied to the activities of the complainant and Neds during this period.

35. The 2016 Code amongst other things required at Clause 5.3 that sports bookmakers must:

...ensure that client activity statements are available online and upon request by the client. Activity statements must include the following information for each transaction:

- date;
- time;
- amount;
- description of the transaction;
- the amount balance;
- win/loss information.

36. As can be seen, there is no specific requirement that sports bookmakers must provide a digital view of a betting account (apart from ensuring that the activity statement is available online) as asserted by the complainant and the complainant's then legal representative. While there was a small delay of some 8 or 9 days between the complainant requesting a copy of her betting statement and it ultimately being provided to her via email, the Commission is not of the view that a breach of the 2016 Code has occurred simply because the complainant would like to see her betting activity in a different format than what was provided.

Tampering with Betting Account

37. The complainant also appears to be of the view that her betting account was subject of an extra ordinary amount of IT issues following a successful bet in 2018 resulting in a payout of approximately \$20,000. The complainant alleges that these IT issues had the effect of her not being able to place further winning bets on multiple occasions.

38. The complainant provided the Commission with a copy of an email that she received from Neds on 28 August 2018 in which Neds advised her that her account had not been tampered or interfered with and that the IT issues she was experiencing were probably due to her internet or wifi connection, the hardware she was using or the operating system her hardware was running on.

39. As detailed earlier in this decision, all sports bookmaker licensed in the Northern Territory are required to maintain a secure, independent audit log that can be accessed by the Commission to review betting transactions. Upon a bet being struck with a sports bookmaker, the bet is also recorded in the audit logs of the Commission. Should the sports bookmaker attempt to change the bet recorded in their own audit logs there would be a clear discrepancy when compared to the Commission's audit log.

40. During the investigation into the calculation of the payout amounts of a number of the complainant's winning bets which included a review of the audit logs for the complainant's betting account, there is no evidence before the Commission that the complainant's betting account has been tampered with in any way.

GAMBLING DISPUTE 2 - LADBROKES

Consideration of the Issues

Suspension of Betting Account

41. The complainant is aggrieved that Ladbrokes suspended her betting account while it sought additional information from her which resulted in her not being able to place winning bets during the period her betting account was suspended.
42. In this respect, the Commission is aware that sports bookmakers use a range of electronic and manual processes to establish and regularly examine customer accounts. This may include information associated with accounts, such as betting activity, deposit and withdrawal activity, identification and other material. It is the experience of the Commission, that sports bookmakers do not usually suspend accounts without good reasons.
43. Customers occasionally find their account is suspended due to being under 'investigation'. This can include those cases where the customer is or was the intended victim of a fraud as well as when it appears the account may have operated in an inappropriate or fraudulent way or when it may appear that the customer is not gambling within their means.
44. Sports bookmakers usually suspend an account to ensure funds are safely retained until sufficient information is obtained to resolve the issue that triggered the suspension. This may involve requesting information from the customer, a bank or other source of funds, or more than one other organisation.
45. Ladbrokes has previously advised the complainant that the contact that she had with Ladbrokes on 2 and 3 May 2018 was initiated due to the level of betting activity on the complainant's account. Ladbrokes advised the complainant that her account was suspended while they verified that she was gambling within her means and to confirm that it was the complainant operating the betting account.
46. While the complainant may feel that she 'missed out on valuable betting time' while her account was suspended, the Commission is of the view that the action taken by Ladbrokes in suspending the complainant's account and verifying that it was she who was operating the account and that she was betting within her means is a reasonable approach and one that is available to them.
47. The Commission expects that sports bookmakers will interact with their customers in a way that minimises the risk to their customers of experiencing harms associated with gambling and while the complainant may not have been able to place a bet using her Ladbrokes account while her account was suspended, the Commission fully supports the actions taken by Ladbrokes to address its concerns that the complainant was betting within her means.

Decision

Neds

48. The Commission is authorised, following an investigation, to declare that disputed bets are lawful or not lawful. On the weight of evidence provided, the Commission is satisfied that each of the complainant's bets were lawful bets pursuant to section 85(1A) of the Act.
49. The Commission is also satisfied that on the weight of the evidence before it, that each of the complainant's bets with Neds were settled correctly and that the complainant has received the appropriate amount of moneys payable on each winning lawful bet.
50. The Commission is further satisfied that Neds acted in compliance with the 2016 Code, in that the complainant's betting history was available to her online at the time and that it also provided the complainant with a record of her betting history.
51. The Commission is also satisfied that the complainant's betting account with Neds has not been tampered with or altered in any way.

Ladbrokes

52. On the evidence before it, the Commission is satisfied that Ladbrokes' decision to suspend the complainant's betting account for a period of time while it undertook inquiries to satisfy itself that it was the complainant who was operating the betting account and that she was betting within her means, were actions available to it and were taken in compliance with the Act and Codes issued by the Commission to minimise the risk of harms associated with gambling.

Review of Decision

53. 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
Chairperson
Northern Territory Racing Commission

2 November 2020