NORTHERN TERRITORY RACING COMMISSION

DECISION NOTICE AND REASONS FOR DECISION

MATTER:	Gambling Dispute for determination by the Northern Territory Racing Commission (pursuant to section 85(2) of the *Racing and Betting Act 1983)*
COMPLAINANT:	Mr W
LICENSEE:	MoneyBall Australia Pty Ltd
HEARD BEFORE: **(on papers)**	Mr Alastair Shields Ms Cindy Bravos Ms Amy Corcoran
DATE OF DECISION:	26 July 2023

DECISION

1. For the reasons set out below, the Northern Territory Racing Commission (**the Commission)** has determined that:

    a. the complaint lodged by the Complainant with the Commission is unsubstantiated;

    b. the Licensee has acted in compliance with the *Racing and Betting Act 1983* (**the Act**) and its sports bookmaker licence conditions; and

    c. each bet placed by the Complainant subject of this Decision Notice has been paid out by the Licensee to the Complainant correctly.

REASONS

Background

2. The Commission granted a ten-year licence to MoneyBall Australia Pty Ltd (**MoneyBall**) on 1 November 2016 to conduct the business of a sports bookmaker pursuant to section 90 of the Act.

3. Since that time, MoneyBall has ceased to operate its sports book, having sold its client list to another Northern Territory licensed sports bookmaker.

4. On 9 March 2023, the Commission cancelled MoneyBall's sports bookmaker's licence. Given that the complaint subject of this Decision Notice was still under the investigation of the Commission at that time, the then Director of MoneyBall agreed to continue to cooperate with the Commission with respect to the complaint and to remain liable for any findings that the Commission may make.

The Complaint

5. On 29 November 2021, the Complainant lodged a betting dispute with the Commission in relation to the approach taken by MoneyBall with respect to the resulting of a number of bets that he placed 18 November 2021.

6. The Complainant has submitted that he placed a number of fixed win bets and a number of multi bets that each had selections involving three races conducted at the Redcliffe Paceway on 18 November 2021 however, several of the fixed win bets and several of the multi bets were voided by MoneyBall due to a pricing error after the races had started. The Complainant has submitted to the Commission that he did not receive any notification that any of the bets had been voided and the original prices remained on each of his betting slips.

7. The Complainant attempted to resolve his concerns directly with MoneyBall which advised him that as it had identified a pricing error in the odds that were offered, it had voided the affected bets and refunded the stakes in accordance with its terms and conditions. MoneyBall also advised the Complainant that the bets were voided well before the races had started and that the corrected odds were available soon after. MoneyBall also advised the Complainant that its communication of the voiding of the bets occurred through the notification tab and transaction history of its App however, as a result of his complaint it now intended to also advise customers going forward by way of email with the reasonings as to why a bet may have been voided.

8. The Complainant remained dissatisfied with MoneyBall's response to his complaint and is seeking for the Commission to investigate his betting dispute and declare that each of the bets that he placed on 18 November 2021 be paid out to him by MoneyBall in line with the original prices that were detailed on his betting slips.

Consideration of the Issues

9. Pursuant to section 85(4) of the Act, the Commission determined to hear the dispute and make its determinations in absence of the parties, based on the written material before it.

Pricing Errors

10. Online sports bookmakers, like most organisations, are susceptible to human error. Pricing errors can occur due to manual input mistakes or technical glitches when setting or updating odds for a market. These errors can result in significantly mispriced odds, creating an unfair advantage for the sports bookmaker's customers and potentially significant unintended losses for the sports bookmaker.

11. Given this, most online sports bookmakers will include pricing error limiting clauses in their terms and conditions, which are agreed to by a customer when they open a betting account with the sports bookmaker. These clauses allow the sports bookmaker to void bets placed on mispriced odds and correct the error before it significantly impacts their business. By including such clauses in their terms and conditions, online sports bookmakers are transparent about their rights to rectify pricing errors.

12. At the time of the bets subject of this dispute, MoneyBall had the following rules in place:

> General Terms and Conditions - Rule 12.6
>
> *"[…] If MoneyBall accepts a bet and there is an obvious or palpable mistake on MoneyBall's part, MoneyBall can void the bet and any failed bet will be returned to Your Account balance […]"*
>
> Special Betting Rules – 3.4.1
>
> *"If MoneyBall publishes, posts or quotes any incorrect betting information for any thoroughbred, harness or greyhound racing event, such as posting wrong odds, then regardless of the cause of the source of such an error Moneyball has the right to void each member's bet".*

13. Pricing error rules such as these however, must not be used to protect the online sports bookmaker from errors of judgement or movements in the market that they have failed to detect and respond to. When a complaint is received by the Commission that relates to a pricing error, the Commission will look to establish the reason for the claimed mistake and request evidence from the online sports bookmaker to support their claim about the price they say that they intended to offer at the time the disputed bet was struck. The Commission will consider whether the pricing error rule has been implemented reasonably and fairly and whether the error was obvious or easily demonstrable without extensive investigation and whether it would have been plain to see to a customer with a reasonable knowledge of betting and the sport or event in question.

The Bets

14. Evidence before the Commission shows that between 5:35 a.m. Australian Central Daylight Time (ACDT) and 5:42 a.m. (ACDT) on 18 November 2021, the Complainant placed nine bets with MoneyBall that included selections involving Races 3, 4, and 6 of a harness meet to be held that same day at Redcliffe Paceway. The bets were as follows:

    Bet 1 - Cyclone Jeremy with a stake of $100 @ $4.33 (potential win $433)

    Bet 2 - Yarraman Rocky and Weren't Watching with a stake of $139.44 @ $18.20 (potential win $2,537.808)

    Bet 3 - Weren't Watching and Misty Creek with a stake of $200 @ $3.85 (potential win $700)

    Bet 4 - Misty Creek and Weren't Watching with a stake of $200 @ $3.85 (potential win $700)

    Bet 5 - Misty Creek, Yarraman Rocky and Cyclone Jeremy with a stake of $21.47 @ $160.99 including boosted odds (potential win $3,456.49.82)

    Bet 6 - Yarraman Rocky and Weren't Watching with a stake of $169.37 @ $8.40 (potential win $1,422.708)

    Bet 7 - Weren't Watching and Yarraman Rocky with a stake of $200 @ $4.34 (potential win $868)

    Bet 8 - Yarraman Rocky with a stake of $100 @ $13.00 (potential win $1,300)

    Bet 9 - Yarraman Rocky and Misty Creek with a stake of $76 @ $8.53 (potential win potential win $648.28)

15. MoneyBall has advised the Commission (and provided evidence to it) that at 8:26 a.m. (ACDT) on the same day that the Complainant placed his bets and well before the meet commenced, it was notified by its third-party odds feed provider that the incorrect prices for this meet had been provided to it, as the prices that had been provided were the previous day's prices.

16. The Commission notes that generally, third-party odds feed providers offer a data feed service to online sports bookmakers that upon receipt, will be integrated into the online sports bookmaker's wagering platform so as to display up-to-date odds and related information to its customers. By relying on third-party odds feed providers, online sports bookmakers can access a wide range of odds data from multiple data sources without having to establish direct connections with each individual data provider, thus saving time and resources which then

allows the online sports bookmaker to offer comprehensive and competitive odds to its customers.

17. MoneyBall has submitted to the Commission that upon being notified of the errors in the odds, it voided the bets affected by the error (and where that involved a multi-bet – voided the affected leg of the multi-bet). As a result of that action and as sighted by the Commission, the Complainant's account was updated to show the voided bets. The action taken by MoneyBall in relation to each bet was able to be seen by the Complainant when he logged into his account at 8:42 am (ACDT), some five hours before the race meet commenced.

18. The selections made by the Complainant that were affected by this pricing error were:

    - Misty Creek;
    - Yarraman Rocky; and
    - Cyclone Jeremy.

Misty Creek

19. The price offered to the Complainant at the time he placed the bets which included the selection of Misty Creek in Race 3 was $2.75. MoneyBall has submitted to the Commission that the correct price should have been $1.40.

20. The Commission has sighted the prices offered for Race 3 by several other sports bookmakers (some of which are also licensed in the Northern Territory) and notes that the prices on offer for Misty Creek by those sports bookmakers ranged from $1.22 through to $1.31. It is generally accepted that prices among different sports bookmakers will vary slightly as sports bookmakers adjust their prices based on factors such as the probability of the event occurring, the wagering activity of their customers and the competitive landscape.

21. These comparative prices (coupled with the fact that MoneyBall voided the affected bets well before Race 3 commenced) demonstrate to the Commission that the price on offer by MoneyBall at the time the Complainant placed the bets was significantly higher than the prevailing market rate; and support the submission by MoneyBall that the price offered to the Complainant at the time he placed the bets involving Misty Creek was offered in error.

Yarraman Rocky

22. The price offered to the Complainant at the time he placed the bets which included the selection of Yarraman Rocky in Race 4 was $13.00. MoneyBall has submitted to the Commission that the correct price should have been $2.40.

23. The Commission has sighted the prices offered for Race 4 by several other sports bookmakers (some of which are also licensed in the Northern Territory) and notes that the prices on offer for Yarraman Rocky by those sports bookmakers ranged from $2.70 through to $3.40.

24. These comparative prices (coupled with the fact that MoneyBall voided the affected bets well before Race 4 commenced) demonstrate to the Commission that the price on offer by MoneyBall at the time the Complainant placed the bets was significantly higher than the prevailing market rate; and support the submission by MoneyBall that the price offered to the Complainant at the time he placed the bets involving Yarraman Rocky was offered in error.

Cyclone Jeremy

25. The price offered to the Complainant at the time he placed the bets which included the selection of Cyclone Jeremy in Race 6 was $4.43. MoneyBall has submitted to the Commission that the correct price should have been $1.70.

26. The Commission has sighted the prices offered for Race 6 by several other sports bookmakers (some of which are also licensed in the Northern Territory) and notes that the prices on offer for Misty Creek by those sports bookmakers ranged from $2.10 through to $2.40.

27. These comparative prices (coupled with the fact that MoneyBall voided the affected bets well before Race 6 commenced) demonstrate to the Commission that the price on offer by MoneyBall at the time the Complainant placed the bets was significantly higher than the prevailing market rate; and support the submission by MoneyBall that the price offered to the Complainant at the time he placed the bets was offered in error.

Resulting of Bets

28. The Commission has reviewed the resulting of each of the bets placed by the Complainant taking into account the decision made by MoneyBall to void bets in their entirety if they had selections that included Misty Creek, Yarraman Rocky and/or Cyclone Jeremy; or to void each leg of a multi-bet which involved any these selections once the errors were detected, and is satisfied that the payouts for each bet (which included the returning of the original stake for bets voided in their entirety) were correct.

NOTICE OF RIGHTS

29. 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
Chair
Northern Territory Racing Commission

26 July 2023

On behalf of Commissioners Shields, Bravos and Corcoran