

NORTHERN TERRITORY RACING COMMISSION

Reasons for Decision

Complainants:	Mr H Mr R Mr F Mr C Mr J
Licensee:	Entain Group Pty Ltd
Proceedings:	Gambling Disputes for determination by 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 Allan McGill
Date of Decision:	26 August 2021

Background

1. Five gambling disputes were lodged with the Northern Territory Racing Commission (the Commission) pursuant to section 85(2) of the *Racing and Betting Act 1983* (the Act) between 20 March 2020 and 23 March 2020 which related to bets struck through the sports betting platforms of neds.com.au and Ladbrokes. At the time that the bets were struck, both the neds.com.au and Ladbrokes betting platforms were authorised by the Commission to operate under the sports bookmaker licence issued to GVC Australia Pty Ltd. Since that time, GVC Australia Pty Ltd has been rebranded and both the neds.com.au and Ladbrokes betting platforms now operate under the sports bookmaker licence issued to Entain Group Pty Ltd (Entain). As such and for ease of reference in this decision notice, the sports bookmaker subject of the gambling disputes will be referred to as Entain.
2. Each of the complainants that submitted the gambling disputes subject of this decision notice expressed dissatisfaction that a number of bets that had been struck on several betting markets offered for round one of the 2020 Australian Football League (AFL) were later voided. Had the bets that had been struck been successful, the total of the payouts for all of the bets would have been over \$50,000 although the Commission notes that even if the bets had not been voided, a number of them were losing bets and therefore would not have received any payout of any kind.
3. Several complainants also expressed dissatisfaction that they had been given different reasons for the voiding of the bets stating that they had firstly been advised that the bets were voided due to the shortening of quarters from 20 minutes to 16 minutes by the sport's governing body and then were advised that the bets were voided due to a pricing error.

4. In voiding the bets, Entain has advised the Commission that it did so in accordance with its terms and conditions - specifically its error rules; as the betting markets were inadvertently made available to its customers at prices that were materially different to the prices Entain would have otherwise offered to its customers.
5. Given that it is the lawfulness of the bets that the Commission has been asked to adjudicate and that the only qualitative material difference between each of the gambling disputes is the actual dollar amount of each of the bets struck, in order to avoid obvious repetition that would result in preparing individual decision notices, the Commission has determined to treat the matters raised as a class of complaints.
6. 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.

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 gambling 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. 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 order to do so, the Commission approves the conditions attached to sports bookmaker licences as well as reviewing and approving the terms and conditions of agreements entered into between sports bookmakers and their customers.
10. 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 contains a rule that allows the sports bookmaker to defend its entitlement to correct any prices (odds) 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.
11. Entain advises that the following rules were applicable to the bets although these rules have since been superseded:

13. ACCOUNT CORRECTION

13.1 Where, in respect of any of our betting products or an event within a betting product, we make a material error (whether human or otherwise), we will be entitled to declare the transaction void and withhold any winning payments. If we wrongly pay an amount to you or we pay you more than the amount to which you are properly entitled, you agree to repay to us immediately upon request from us the amount which has been wrongly paid or overpaid to you. You also give us permission to adjust your Account (or make a withdrawal from another account you have with us that we have access to) to reflect the true outcome, rectify the error and reclaim any funds paid to you erroneously.

14. ERROR IN RELATION TO MARKETS

14.1 If a bet is accepted in error by us on an event or outcome and the error is material, the bet will be void and your stake returned. Examples of this include, but are not limited to, human errors or system problems where a bet is accepted at a price (which includes the odds, handicap provisions and other terms or details of the bet) that is materially different from those available in the general market at the time the bet was made or obviously incorrect given the chance of the event occurring at the time the bet was made.

12. As can be seen, these rules on errors outline to the customers of Entain that when Entain detects that a material error has been made in the price offered for a bet, Entain reserves the right to void the bet and return the stake to its customers.

13. Having said that, the Commission notes however that as per Entain's submission the above rules have superseded the rules that were in place at the time the bets subject of this decision notice were struck. Supporting this, is the emails provided by several complainants to the Commission in which they were advised that the bets had been voided due to the following rule:

7.4 Bets accepted in Error

If a bet is accepted in error by NEDS (whether human error or system failure) on an event or outcome, the bet will be void and your stake refunded to your Account. Examples of these errors include, but are not limited to:

(a) where a bet is accepted at a price or dividend (which includes the odds, handicap provisions and other terms or details of the Bet) that is materially different from those available in the general market at the time the Bet was made or obviously incorrect given the chance of the event occurring at the time the Bet was made.

14. While the Commission notes that the two sets of rule differ, the substance of both sets of rules are the same in that the sports bookmaker reserves the right to void a bet and return the stake where an error in prices of a material nature have been made.

15. 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 these 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 these 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.
16. One of the issues for consideration by the Commission therefore in determining the current gambling disputes before it, is whether this error rule has been implemented reasonably and fairly by Entain. In doing so, the Commission must necessarily look to the reasons provided by Entain for the claimed pricing errors and review the evidence from Entain that supports its claim. The Commission must 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.
17. In responding to these gambling disputes, Entain has submitted to the Commission that during a one hour period during the evening of 19 March 2020 and before the AFL matches on which the bets were played, the AFL Alternate Total Points Over, the AFL Alternate Points Under and the AFL Total Points Bands betting markets were inadvertently made available to its customers at prices that were materially different to the prices that Entain would have otherwise offered to its customers.
18. Entain has submitted that:
 - a. the error occurred due to a coding mistake in which the betting markets were incorrectly set to 'display on site' when Entain offered a Head-to-Head and Line market on the remaining AFL round one matches;
 - b. the pricing for the betting markets is derived from an 'expected points total' which had not yet been set by Entain and therefore should not have been displayed;
 - c. as Entain had not yet set an 'expected points total', the price for the betting markets was derived of a global default total which Entain had not reviewed nor had any input on and which had no relevance to the remaining AFL round one matches to be played and is the reason why the prices offered for each AFL match were the same;
 - d. the percentage difference in the prices offered in error and the correct prices ranged in difference from 39% to 347%; while the percentage difference in the return on investment ranged between 471% and 2000%;
 - e. the prices offered in error for the total match points being under 155.5 was \$5.75 and a price of \$7.00 for being under 150.5; and were not in line with a similar market offered by another sports bookmaker licensed by the Commission which had offered \$1.90 for the Total Game Points to be under 152.5;
 - f. according to a screenshot provided to the Commission that Entain submit was posted by one of the complainants to social media on 20 March 2020 and in which a summary of a multibet that he had placed is detailed that shows prices of \$1.91 being given for a variety of 'total points over' betting

markets; prices differ significantly from the prices offered in error by Entain in similar markets, being prices of \$4.25 to \$7.00; and

- g. while the sport's governing body had reduced the length of playing time for each of the round 1 matches from 80 minutes to 64 which equates to a reduction of 20% of playing time, this played no part in the pricing error although it did exacerbate the pricing errors as the global default total was set for the standard match length.
19. Entain has advised the Commission that once it identified the pricing errors, it immediately removed the markets and commenced voiding all affected bets. Further, that each of the bets subject of these gambling disputes as well as others where no gambling dispute has been lodged, were identified and voided within approximately two hours from when the first bet was placed, with this including bets that would have resulted in Entain's favour. Entain further advised that following the voiding of all of the bets that had been struck, the betting markets were only again made available the following day once the prices on offer had been corrected.
20. Entain has submitted the following information to the Commission in order to provide the Commission with a comparison of the correct prices and the prices that were offered in error and which were subsequently wagered on by the complainants:

Market	Correct Prices	Incorrect Prices	Price Differences	Price Percentage Increase	ROI Increase
Under 200.5	N/A*	\$1.19	N/A	N/A	N/A
Under 195.5	N/A*	\$1.28	N/A	N/A	N/A
Under 190.5	\$1.02	\$1.42	\$0.40	39%	2000%
Under 185.5	\$1.05	\$1.62	\$0.57	54%	1140%
Under 175.5	\$1.17	\$2.20	\$1.03	88%	606%
Under170.5	\$1.25	\$2.60	\$1.35	108%	540%
Under 165.5	\$1.38	\$3.30	\$1.92	139%	505%
Under 160.5	\$1.53	\$4.25	\$2.72	178%	513%
Under155.5	\$1.75	\$5.75	\$4.00	229%	533%
Under 150.5	\$2.05	\$7.00	\$4.95	241%	471%
150 or below	\$1.90	\$8.50	\$6.60	347%	733%

* Entain would not have offered odds this short

21. Contrary to Entain's assertions, several of the complainants have submitted to the Commission that as the bets were struck after the completion of the first AFL match of round 1 for the season and that the first match had a total points score of 186, that the prices offered by Entain were accurate.
22. Several complainants have also expressed an opinion to the Commission that the prices offered were not in error but that Entain "...*simply did not like the odds they had offered and have removed the bet.*" By way of example, one complainant has submitted that at the time of submitting his gambling dispute that the total points for the Essendon and Fremantle match yet to be played being 150.5 or under, were being offered at a price of \$1.87. Given that he had received prices of between \$2.20 and \$1.28 for the bets that he had placed with Entain for the total points of the matches ranging from 175.5 to 195.5, the complainant states that the prices he was given by Entain were "...*not out of the ordinary.*"
23. Sports bookmakers naturally offer a wide variety of betting markets at any given moment and from time to time errors in price are made, either through human or system error, which results in bets being accepted at a price that is materially different from what it should have been.
24. In determining whether Entain is able to rely on voiding the bets subject of these gambling disputes due to a material error occurring, the Commission has reviewed the comparative data provided by Entain and notes that the prices offered by another sports bookmaker licensed by the Commission on a similar betting market were significantly lower than those offered by Entain at the times the bets were taken. Notably, this price difference in the Commission's view was not simply a case of one sports bookmaker offering better or superior odds compared to another, but rather supports the submissions by Entain that the error in price was a material one.
25. Entain's submission is also supported by the fact that each betting market was offering the same price prior to the markets being taken down from the betting platforms.
26. Supporting this premise further is that the prices on offer by Entain and at which the bets subject of this gambling dispute were struck, were on offer for only a one hour period during the evening of 19 March 2020 and before the AFL matches on which the bets were placed were played. Upon realising the error, the betting markets were immediately removed from the betting platforms and were not re-instated with correct prices until the following day and after all bets that had been previously struck were voided and stakes returned to those who placed bets.
27. As noted earlier, several complainants also expressed dissatisfaction that they had been given different reasons for the voiding of the bets in that several complainants had firstly been advised that the bets were voided due to the shortening of quarters from 20 minutes to 16 minutes by the sport's governing body but were later advised that the bets were voided due to a pricing error.
28. Entain advised the Commission that shortly after one of the complainant's bets were voided, the complainant contacted its customer service representative. Entain has reviewed the telephone recording of this conversation and has advised the Commission that while the complainant was advised that the customer service representative believed the bets were cancelled due to the shortened AFL quarters,

the complainant was specifically told twice that the customer service representative had not confirmed this as the reason. The complainant later received an email in which he was advised that the voiding of the bets occurred due to a pricing error.

29. The Commission is not minded to explore this aspect any further given that the complainant was told that the customer representative did not have a specific reason at the time of the telephone conversation as to why the bets were voided and then later received a response in writing advising of the reasons. While it would have been preferable that the customer service operator did not speculate on why the bets were voided and sought to find out the true reason during the telephone call, ultimately this has no impact as to whether the bets were lawful or not.

Decision

30. 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. 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, the Commission must determine whether the error rule has been implemented reasonably and fairly.
31. In examining the evidence before it, the Commission is satisfied that prices offered by Entain at the time that the bets subject of this decision notice were struck on the 2020 Australian Football League (AFL) Round one market were offered in error and can be linked to a specific system failure.
32. In the Commission's view, the error in prices was significant, easily perceived and 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.
33. Given this, the Commission has determined that while all bets struck that are subject of this decision notice are lawful bets pursuant to section 85(1A) of the Act and that it was unfortunate that the bets were accepted at an obviously incorrect price, the Commission considers that it is not unreasonable that Entain invoked its error rule and voided the bets.

Review of Decision

34. 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

26 August 2021