

NORTHERN TERRITORY RACING COMMISSION

Reasons for Decision

Complainant:	Mr G
Bookmaker:	BetEasy Pty Ltd
Proceedings:	Referral of dispute to Racing Commission for determination (pursuant to section 85(2) of the <i>Racing and Betting Act</i>)
Heard Before: (on papers)	Mr Alastair Shields (Presiding Member) Ms Amy Corcoran Mr Allan McGill
Date of Decision:	22 June 2020

Background

1. On 23 August 2018, pursuant to section 85(2) of the *Racing and Betting Act* (**the Act**), the Complainant lodged a gambling dispute with the Northern Territory Racing Commission (**the Commission**) relating to the actions of BetEasy who is licensed as a sports bookmaker by the Commission under the Act.
2. The substance of the Complainant's dispute is that a withdrawal request of \$26,000 he made online at 11.00pm on 22 August 2018 (**the Withdrawal Request**) was not processed due to BetEasy requiring a photo of his Debit Mastercard prior to being able to process the request. Subsequently he continued to wager with those funds plus a further \$20,000 he deposited the next day.
3. The Complainant is seeking BetEasy refund him a total of \$46,000, being the initial \$26,000 which he requested to withdraw plus the additional \$20,000 he deposited, both amounts of which were wagered through.
4. BetEasy submits that no money is owing to the Complainant and that the card verification process is essential to assist in detecting and preventing instances of fraud and money laundering and undertaken to comply with Anti-Money Laundering legislation to verify the origin of a client's deposits. BetEasy assert that it has the right to verify cards under their terms and conditions, specifically rules 12.1(d) and 12.3.
5. Information was gathered from both parties by the Commission's betting inspector and provided to the Commission which determined there was sufficient information before it, to consider the gambling dispute on the papers. The information gathered included recordings of telephone calls as well as email correspondence between the parties.

Consideration of the Issues

6. Section 85 of the Act provides the Commission with the jurisdiction to determine 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.

7. The clear purpose of section 85 is to authorise the Commission following an investigation, to determine whether or not the impugned bet or bets were lawful. As such, the issue before the Commission in this matter is whether the bets struck on and after 11.00pm on 22 August 2018 were lawful.
8. In this respect it is relevant to note that all sports bookmakers licensed in the Northern Territory are required by the Commission to promulgate a detailed set of terms and conditions for wagering which both parties are bound by when an account is opened and each time a wager is struck. By opening an account with a sports bookmaker, the person opening the account is accepting the sports bookmaker's terms and conditions as particularised on its betting platform website.
9. Of relevance to this matter is BetEasy's terms and conditions which were in place on 22 August 2018 set out that:

12. Payment Verification

1. BetEasy reserves the right to require you to provide information including but not limited to certified identification documents, bank statements or other documents in order to:
 - (a) verify (or further verify) your identity;
 - (b) verify information in connection with a bank account used to deposit or withdraw funds to/from your BetEasy Account;
 - (c) verify information in connection with a non-bank account payment method used to deposit or withdraw funds to/from your BetEasy Account;
 - (d) verify where any payment to your BetEasy Account originated;
 - (e) verify any individual who has accessed your BetEasy Account; and
 - (f) confirm your location at times when you have accessed your BetEasy Account.
2. Until BetEasy is satisfied that the information provided pursuant to a request under section 12.1 is true, accurate and complete BetEasy reserves the right to:
 - (a) refuse to accept deposits;
 - (b) refuse to accept Bets;
 - (c) refuse to permit withdrawal of funds;
 - (d) return any payment at its discretion and void any associated Bets should it deem any payment to be (or is likely to be) unauthorised or made by a person other than you; and/or refuse to allow any other transactions in connection with your Account.
3. If You use any type of credit or debit card to fund Your Account, We may require verification of that card, including but not limited to, a copy of the front of that card, which You must send to Us for Our approval on Our request.
4. We reserve the right to refuse to accept a credit card at Our absolute discretion including but not limited to in circumstances where the credit card is dishonoured.
5. The Credit or debit card You use to fund Your Account must match Your Account details. If You use a credit card with a name on it that is not the name that is registered with Us for the Account used in relation to a transaction, the transaction may be voided and the associated Account may be suspended until proof of consent is provided by the third party cardholder. We reserve the right to request verification of the credit or debit card, including but not limited to, a copy of the front of the credit or debit card registered on Your Account at any time. However, we do not guarantee that Your Account will be activated or re-activated even if we receive a copy of Your credit or debit card.
6. We will not allow a third party bank account holder, credit or debit card holder, Pay-Pal account holder or any other payment method to transact on an Account that is not been registered in his or her name. You must use Your own bank account or joint

deposit and withdrawal methods. We reserve the right to suspend any Accounts, without notice, with third party payment details. You accept that when an Account has not been operated on a good faith basis that BetEasy may refuse future transactions and retrospectively void existing ones, at its discretion.

7. You accept that We may request verification, including but not limited to a copy of your bank statement, for any payment method registered to Your Account, for the purposes of depositing or withdrawal, regardless of whether the payment was successful or not, prior to any withdrawal being approved. If You use any of Our deposit options, You accept that we may request a bank statement or other supporting documentation to verify where funds have originated from prior to any withdrawal being approved. You also accept that We may decide to return these funds at Our discretion and void bets should We deem that the transaction was not authorised or you are in breach of clause 6.
 8. If BetEasy determines that there is not enough information to prove the owner of a particular payment option, we reserve the right to request documentation as proof of ownership prior to making any decision.
 9. We reserve the right to refuse to accept any type of payment presented by You to Us in our absolute discretion and without giving reason, irrespective of whether we have previously accepted the same type of payment from You.
 10. BetEasy reserves the right to check directly with the funding institution that supplied the payment option used to deposit to confirm that the details provided by You to BetEasy are valid and correct.
10. In accordance with rules 12.1 and 12.3, when the Complainant opened his betting account with BetEasy, he accepted that BetEasy could request verification information, including a photo of the front of his Debit Mastercard, and that he must provide that information upon request.
11. In this case, the account was opened at 8.05pm on 21 August 2018 with an initial \$100 deposited at 8:07pm. Wagering activity began almost immediately, all of which is not in dispute. The following morning, the Complainant deposited a further \$10,000.00 into his betting account at 10.25am. BetEasy then sent an email to the Complainant at 2.04pm that same day requesting a copy of his Debit Mastercard however verification was not completed by the Complainant at this time. The Complainant submits he cannot recall seeing this email however, BetEasy has provided this email as evidence that it was forwarded on this time and date and to the email address registered on the Complainant's betting account.
12. When the Complainant's Withdrawal Request was blocked at 11.00pm that night, he was directed to contact the Customer Service team which he did at 11.12pm. During this call, the Complainant was advised by Customer Service that the security team required a photograph of the Debit Mastercard to be emailed to them before the card could be verified and that the process would take up to 24 hours "but generally we're a bit quicker with that one". The Complainant did not provide a reason for the withdrawal request.
13. At 11:17pm the same evening, the Complainant emailed a copy of his Debit Mastercard to the email address provided by Customer Service and this email was placed in the "client verification cue" for processing on the next business day as the bookmaker Customer Security Team does not operate overnight.
14. In the interim, the Complainant resumes his betting activities noting that the monies subject of the blocked Withdrawal Request also remained available for wagering.
15. On 23 August 2018, at 9:41am, the Complainant used the same Debit Mastercard to make a further deposit of \$20,000 and continued wagering. At 11:34am the same

day, the Complainant submits he contacted the bookmaker, via telephone, to request a withdrawal of the \$20,000 (submitting he did so after “*noticing I was chasing my losses and I needed to stop*”). He was advised to go through the same process of sending a photo of the front of the Debit Mastercard via email to them. BetEasy submits that if the Complainant had mentioned that the previous Withdrawal Request and that the card verification was already in process, they would have investigated its status further and possibly have been able to put the Complainant directly in contact with the customer security team responsible for the review.

16. During this telephone call, it was clear that BetEasy’s staff member was looking at the Complainant’s account information and accordingly, it is concerning that the account information did not show the blocked Withdrawal Request and the current status of the verification process thereby allowing that staff member to escalate the Complainant’s request at that time.
17. At 12:38pm the same day, the Complainant contacted them to complain about his lost funds as a result of the delayed withdrawal. During this call, the Complainant mentions for the first time he has a gambling problem and claims he “kind of” mentioned this in the earlier call, (although there is no indication that he did mention anything about a gambling problem on the recording of that call). As a result of this call, BetEasy permanently closed the Complainant’s account for problem gambling reasons and advised the Complainant that the previous call would be reviewed.
18. At 1:06pm the same day, BetEasy contacted the Complainant by phone and he is advised that upon review of previous calls, the Complainant did not mention prior to the 12:38pm telephone call that he had issues with gambling and also that the previous betting activity would stand. During this call, the Complainant acknowledged that he hadn’t raised a gambling problem in the earlier call. The Complainant was also provided details of services to assist him to deal with the gambling problem. The betting account was closed permanently for ‘RSG reasons’ and the balance of \$161.61 was processed for withdrawal back into his account.
19. BetEasy states that if they had been made aware of the Complainant’s problem gambling issues sooner, they would have closed the account and prevented any further betting activity from taking place.
20. In response to the Complainant’s allegation of the withdrawal process being arduous and a lack of alternative methods provided to speed up the withdrawal, BetEasy submits the Complainant was sent an email at 2:04pm on 22 August 2018 requesting a photo of the front of the Debit Mastercard and to forward this back to them for verification, prior to any withdrawals being processed. BetEasy submit that if this request had been complied with, his initial attempt to withdraw would “likely” have gone through without incident. BetEasy asserts that they notify all new clients about credit card verification by way of email after a new account has been opened and a credit card was used to deposit.
21. BetEasy further submits that the only alternative available to the Complainant would have been for the matter to be escalated to the customer security team, unfortunately due to the telephone call being late in the evening of 22 August 2018, this option was not available at that time. The Commission notes that given BetEasy are licensed to operate 24 hours a day, it may like to give consideration to also providing its customers with such services 24 hours a day.

22. The inability of BetEasy to identify the source of the funds used by its customers when suspicions are raised through their betting activity does not in itself provide evidence that a betting account has been used in breach of the terms and conditions that apply to it, but it is the view of the Commission that it does pose at the very least, an unacceptable money laundering risk. In that respect, the Commission requires and actively encourages sports bookmakers licensed by it to comply with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)* which is aimed to prevent money laundering and the financing of terrorism.
23. As such, it is the view of the Commission that BetEasy's actions in requesting proof from the Complainant to verify the Debit Mastercard used to make the deposits into the Complainant's betting account was appropriate and was also done in accordance with its terms and conditions to which the Complainant had agreed to at the time of opening his account.
24. Having said that, BetEasy's terms and conditions, specifically rule 12.2 detailed above states that until it is satisfied that the information requested under section 12.1 is true, accurate and complete, BetEasy reserves the right to refuse deposits or withdrawals, accept bets or suspend an account pending satisfactory information being provided. In the Commission's view, all of these options are entirely appropriate actions to take if BetEasy are not satisfied that the funds were the Complainant's and therefore unable to return his winnings to the Debit Mastercard.
25. In this case, given the security team were not available overnight to verify the information provided by the Complainant and permit the Withdrawal Request to be processed, it would be more appropriate in the circumstances to suspend the account until BetEasy are satisfied that the funds or Debit Mastercard were in fact the Complainant's. It seems illogical that BetEasy would stop the Withdrawal Request on the basis it was not satisfied that the monies or the Debit Mastercard belonged to the Complainant but would continue to allow the Complainant to continue to use those funds to bet and make further deposits using the exact same Debit Mastercard for the Complainant to continue to bet.
26. BetEasy submits any funds deposited by a client into their wagering account, remain the property of that client until (a) they are either lost to unsuccessful betting activity or (b) there is reasons to believe the funds do not belong to the client. The onus is on the client to use or not use their funds in whatever manner they see fit until the wagering company forms evidence based on suspicion that some sort of illegal activity has occurred, or become aware of any problem gambling related issues.
27. Based on this submission, if the funds in the account remained the Complainant's, he should have been freely permitted to withdraw them and yes, also gamble them. Given those funds were blocked from being withdrawn, it must follow that BetEasy had reason to believe that the monies might not in fact belong to the Complainant. This belief could have been formed by BetEasy as a blanket assumption on opening an account and/or the Complainant's actions or inactions. Accordingly, the fact that BetEasy were not sufficiently satisfied that the monies belonged to the Complainant in order to process the Withdrawal Request, then the funds according to BetEasy's submission should not have been viewed as the property of the Complainant to continue to bet with.
28. It is the Commission's view that the same practice of suspending the Complainant's betting account as occurred in the matters of B v PlayUp (28 February 2020) and G

v PlayUp (10 March 2020) should have occurred in this matter (albeit under differently worded terms and conditions) until BetEasy was satisfied with the information provided by the Complainant to verify his Debit Mastercard.

Decision

29. On the basis of the evidence before it, the Commission is satisfied that the bets made by the Complainant through his BetEasy betting account were lawful bets pursuant to the Act.
30. The Commission is of the view that BetEasy's actions in requesting proof from the Complainant of his Mastercard between 22 and 23 August 2018 was done in accordance with its terms and conditions to which the Complainant had agreed to at the time of opening his account. The Complainant did provide the requested evidence of the Debit Mastercard to BetEasy (albeit over 9 hours after the initial request and also outside the service hours of the security team) but BetEasy were unable to confirm verification satisfaction in order to unblock the Withdrawal Request on the account.
31. Given BetEasy was unable to verify that the Debit Mastercard or monies belonged to the Complainant, the Commission considers BetEasy's approach to the matter given the circumstances should have been to suspend the Complainant's betting account and therefore, return the deposits made between 22 and 23 August 2018 in the amount of \$30,100 to the Complainant and void all bets made through the account.

Review of Decision

32. 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

22 June 2020