

# Northern Territory Racing Commission

## Reason for Decision

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<b>Applicant:</b>	Mr S
<b>Respondent:</b>	Luxbet Pty Ltd
<b>Proceedings:</b>	Dispute Relating to Betting – Section 85 of the <i>Racing and Betting Act</i>
<b>Heard Before:</b>	Mr Philip Timney (Presiding Member) Mr Walter Grimshaw Mr David Brooker
<b>Date of hearing</b>	3 February 2011
<b>Appearances:</b>	Mr Malcolm Richardson, Manager Racing Mr Eddie Berry, Racing Inspector

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## Background

1. Mr S is an account holder with Luxbet Pty Ltd ('Luxbet'). It is not in dispute between the parties that on 18 January 2011 Mr S attempted to place a wager of \$400.00 on Reign of Courage to win in Grafton Race 2 at the advertised odds of 5.00. Mr S's bet was rejected by Luxbet. He then attempted to place a wager of \$400.00 each way on Reign of Courage at the revised odds of 4.60, that wager was also rejected by Luxbet. Mr S then attempted to place a wager of \$400.00 each way on Reign of Courage at the further revised odds of 4.40. That wager was also rejected by Luxbet.
2. Reign of Courage won the race. If any of Mr S's wagers had been accepted by Luxbet at the time he attempted to place them the payout would have exceeded \$1,000.00 on each wager.
3. On 20 January 2011, Mr S lodged a complaint with Racing Inspector, Edward Berry. The substance of Mr S's complaint was that, in accordance with the Minimum Bet Rule, Luxbet was required to accept his wagers at the advertised odds to a maximum payout of \$1,000 per wager. Mr S added:  
*'Since Tuesday they (Luxbet) have continued to just reject bets I try to place at fixed odds without betting me to win anything, or they just turn the price off and offer me a reduced price to the price I clicked on.'*
4. Mr S advised that when he raised his complaint with Luxbet they credited his account for \$1,000.00 in respect of the second attempted wager at the odds of 4.60. He was further advised that the other two attempted wagers at odds of 5.00 and 4.40 were rejected by Luxbet as *'he was not first in line for the other two bets'* and that Luxbet was not obliged to accept the wagers even though the odds were being displayed.
5. Mr S maintains that he was entitled to receive a \$3,000.00 payout, being the maximum payout of \$1,000.00 for each of the wagers he attempted to place that were rejected by Luxbet.

6. On 21 January 2011 Mr Andrew Vouris of Luxbet provided the following response to Mr Berry in respect of Mr S's complaint:

*As per the below email, Mr S was not the first customer to request a bet at the initial price of \$5.00. The first customer was bet at the price in accordance with the rules and a price change was initiated. I subsequently confirmed that this process was appropriate with Malcolm Richardson.*

*We have conceded that Mr S was the first customer at the new price of \$4.60 and have accordingly paid him \$1,000 as an ex-gratia payment.*

7. The Commission notes the 'concession' made by Luxbet in respect of Mr S's second attempted wager and agrees that Mr S was entitled to a dividend of \$1,000.00 under the Minimum Bet Rule. The Commission does not agree however that Luxbet's payment to Mr S was made 'ex gratia'. It was incumbent on Luxbet to pay the dividend to Mr S on the basis of the rules applicable to its licence and not on some ex gratia (no fault/no liability) basis.

8. The email to Mr S, referred to by Mr Vouris, was from Mr Chris Callaghan of Luxbet and dated 19 January 2011. The content of the email was as follows:

*In reference to your below email, we have today paid you \$1,000 for your bet on Grafton Race 2 No. 4 @ \$4.60.*

*Per the NTRC Rules you were not the first customer at the other two prices quoted and therefore not entitled to any additional payments.*

9. On 24 January 2011 Mr Vouris sent a further email to Mr Berry advising as follows:

*The bet was rejected incorrectly, however Mr S was credited with the \$1,000 win portion he was due to receive the following day.*

*We are betting the first customer at the price and continuing to reject those behind them. I am not aware of any further instances where this has happened to Mr S.*

## **Consideration of the issues**

10. By decision dated 31 August 2010 the Racing Commission determined to impose a new Rule applicable to Corporate Bookmakers in respect of the acceptance of bets at the advertised starting price for thoroughbred, harness or greyhound racing. For those sports, the former Rule was replaced with the following new Rule ('The Minimum Bet Rule'):

*Notwithstanding anything contained elsewhere in these rules, if (the Sports Bookmaker) publishes, posts or quotes any incorrect betting information for any thoroughbred, harness or greyhound racing event, such as posting wrong odds or lines, then regardless of the cause of source of such error:*

*Bookmakers must lay such odds if demanded by the taker on fixed odds betting but so that the bookmaker shall not be compellable, in the normal course of business, to lose on any bet more than \$1,000.00 on thoroughbred racing.*

11. Luxbet's interpretation of the Minimum Bet Rule, as relayed by Mr Vouris in his email to Mr Berry, is incorrect. The Rule compels corporate bookmakers to accept wagers from all clients who attempt to place a bet at the advertised odds to a maximum loss to the bookmaker of \$1,000.00 per wager. Under the Rule it is not open to a bookmaker to accept the first wager placed at the advertised odds and to then reject subsequent wagers from clients who attempt to place a wager at the advertised odds after the first client has got on. The Rule requires bookmakers to

accept all fixed wagers from all clients at the advertised odds, to a maximum payout of \$1,000.00, until such time as the odds displayed are altered.

12. On the basis of the correct interpretation of the Rule, the Commission is tasked with determining whether Mr S is entitled to a payout of \$1,000.00 for one of his attempted wagers, as has been accepted by Luxbet, or \$3,000.00, being the maximum payout of \$1,000.00 for each of the three wagers he attempted to place.
13. Had Mr S attempted to place three different wagers (for example, on different horses or different races) the Commission would have no hesitation in determining, in accordance with the above Rule, that he would be entitled to a payout of the maximum payout of \$1,000.00 for each of the attempted wagers that were rejected. Luxbet's assertion that they are only required to accept the first wager at the advertised odds is incorrect and they are required to accept all wagers from individual clients, to a maximum payout of \$1,000.00, at the advertised odds until such time as revised odds are posted or advertised, regardless of how many clients are 'in the queue'.
14. In this case the Commission has no evidence to suggest that Mr S would have placed the additional two wagers had his original wager of \$400.00 to win at odds of 5.0 been accepted. However, the wording of his complaint, and particularly the remedy he is seeking of \$3,000.00 payment from Luxbet, infers that he may have intended to place 3 separate wagers on the one horse. It is also noted by the Commission that the second attempted wager was for \$400.00 each way, a different bet to the original attempted bet of \$400.00 for the win only. The second and third attempted wagers were identical.
15. For obvious reasons, no evidence was presented by Luxbet in support of the alternative argument, namely that Mr S only intended to place one wager on Reign of Courage and proceeded with the second and third wagers only because the first wager and then the second wager had been rejected. Luxbet could not have made any submission in regard to Mr S's intent as only Mr S could know how many wagers he intended to place. Noting the lack of substantiating evidence in respect of either conclusion as to Mr S's intentions, the Commission must reach its decision on a strict interpretation and application of the terms of the Minimum Bet Rule.
16. There is no dispute between the parties that Mr S attempted to place three wagers with Luxbet on Reign of Courage at the varying odds posted at the different times he tried to place the wagers. Each of those wagers would have been a valid bet but for Luxbet refusing to accept the wagers. Luxbet's response that the first and third wagers were not accepted because Mr S was not the 'first customer at the price' is not a valid reason to refuse to accept those wagers, for the reasons set out above. On that basis the Commission must find that each of Mr S's attempted wagers was rejected in contravention of the Minimum Bet Rule and that Luxbet should have accepted each of the 3 bets to lose a maximum of \$1,000 per wager.

## **Decision**

17. The Commission has determined to resolve this gambling dispute in favour of the client, Mr S. In accordance with the Minimum Bet Rule Luxbet was obliged to accept each of Mr S's wagers on Reign of Courage to a maximum loss of \$1,000.00 per wager.

18. The Commission notes that Luxbet has already paid \$1,000.00 to Mr S in respect of the second of his wagers. The Commission, in accordance with section 85(4) of the *Racing and Betting Act* and taking account of the Minimum Bet Rule, determines that Luxbet shall pay to Mr S an additional amount of \$2,000, being the maximum payout of \$1,000.00 each for the first and third attempted wagers.
19. Mr S attempted to place wagers one and three at the odds advertised by Luxbet. It was not open to Luxbet to reject those bets outright. To the contrary, Luxbet was obliged by the Minimum Bet Rule to accept each of those wagers to lose no more than \$1,000.00 per wager.

Philip Timney  
Presiding Member

1 March 2011