

# NORTHERN TERRITORY RACING COMMISSION

## Reasons for Decision

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<b>Complainant:</b>	Mr G
<b>Licensee:</b>	Crownbet (now known as EasyBet)
<b>Proceedings:</b>	Pursuant to Section 85(4) of the <i>Racing and Betting Act</i> – Referral of dispute to Racing Commission for determination
<b>Heard Before: (on papers)</b>	Mr Alastair Shields (Presiding Member) Ms Amy Corcoran Mr James Pratt
<b>Date of Decision:</b>	9 August 2019

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### Background

1. On 12 April 2018, pursuant to section 85(2) of the *Racing and Betting Act (the Act)*, the Complainant lodged a gambling dispute against Crownbet (**the bookmaker**). The dispute relates to the bookmaker returning an initial deposit of \$500.00 to the Complainant's original bank account but voiding all wagers and winnings in the amount of \$9,290.19. The Complainant is seeking the payment of those winnings.
2. On 8 February 2018, the Complainant registered a betting account in the name of Mr G. The address used to register the account was a Queensland address in Wilston. As a resident of Queensland, the Complainant was eligible for a sign-up bonus.
3. On the same day, the Complainant made a \$500.00 deposit from his credit card. The Complainant received a \$500.00 bonus bet at the time of deposit. In accordance with the bookmaker's general payment verification rules, the bookmaker requested verification for the deposit method and the Complainant's credit card was verified on 13 February 2018.
4. The initial bets on the account show that a profit was yielded from the bonus bet, and the Complainant's cash bets lost. The bookmaker submits that it employed a rule-based risk monitoring program to monitor customer registrations and account behaviours. The Complainant's account was selected to complete additional verification. When investigating the bookmaker submits it obtained information that each individual IP location on the Complainant's lifetime betting statement is South Australian based, which is inconsistent with the Queensland address supplied by the client on registration.
5. On 17 February 2018, the bookmaker requested proof of the Complainant's residential address. On 19 February 2018, the Complainant supplied his "proof of address" by providing a copy of his South Australian Driver Licence showing his address as a South Australian address in Ingle Farm.
6. The bookmaker noted that the address was not the Queensland address supplied on registration, and consequently requested the Complainant to verify the address used to register the account.

7. The bookmaker submits that the Complainant advised that he was residing in Queensland at the time the account was created on 8 February 2018, and subsequently returned to South Australia by the 19 February 2018. The bookmaker further submits that the Complainant had opportunities to prove that he was in fact residing in Queensland at the time he created his betting account, however he has been unable to do so.
8. The Complainant within his dispute stated:

*“They [the bookmaker] then requested proof of the original address I was staying at when I joined (where I currently don’t live at)”*; and

*“I called and asked how I could really prove this as I was staying with a friend I was working with at the time and therefore didn’t have my name on the lease or anything like that”*.
9. On 10 April 2018, the bookmaker received a copy of a ING bank statement in the Complainant’s name however, the bookmaker noted that even though the address was the Queensland address supplied on registration, the bank statement date commenced on 27 February 2018, being 19 days after the betting account was registered (on 8 February 2018) and 8 days after the Complainant states he had returned (on 19 February 2018) to South Australia.
10. The bookmaker submits that the client has provided an interim bank statement and does not accept this as proof of address due to the ease of updating residential address via Internet Banking, which does not require any documents or proof to do so.
11. The bookmaker submitted that under South Australian state legislation a bookmaker cannot entice any resident of South Australia with bonuses or promotions to create a betting account, and therefore the bookmaker states within its promotions “Excludes VIC, NSW, SA & WA”.
12. On 11 April 2018, the bookmaker elected to invoke Rule(s) 6 and 14 of their Terms and Conditions (as set out below); closed the client’s account and voided all bets and winnings and returned the initial \$500 deposit to the Complainant.

## **Consideration of the Issues**

13. It is a requirement of each Sports Bookmaker’s licence that they 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 Bookmaker, the client is accepting the Bookmaker’s terms and conditions as particularised on their website.
14. When opening an account a bookmaker can, of their own volition and generally contained within its Terms and Conditions, conduct preliminary verification of their clients identity. The purpose of this verification process is however not limited to ensuring all account holders are who they say they are. However, and notwithstanding the initial verification process when a bookmaker establishes a degree of doubt on the authenticity of an account, they are legislatively required to undertake further investigations

15. By opening the account the Complainant agreed to the Terms and Conditions as particularised on the bookmaker's website. Of particular relevance to this matter is **Rule(s) 6** [Your Warranties] and **14** [Fraud] as particularised below:

#### **6. Your Warranties**

By applying for or using an Account with Us and/or by using the Website/Application, telephone or fax you warrant and agree that you: ...

- f. Have provided us with personal details that are valid, accurate, and complete in each and every respect and that you will advise us immediately via e-mail should any such details change....

In the event of any of the warranties set out in clause proving to be false, CrownBet reserves the right to act as follows: Your stake will be forfeited and we will not be obliged to pay any winnings which might otherwise have been payable to you. We may also report the matter to the police, Your parents and any appropriate regulatory authority.

#### **14. Fraud**

1. We use third party technologies to track ad store technical information. You accept this data may be used to reach decisions on investigations where Accounts have not been operated in good faith, including but not limited to Account takeover, bonus or betting abuse, multiple Account operations, payment method abuse etc. We may in our absolute discretion, impose limits or conditions on any person who opens or attempts to open an account with Us where the device or network is shared or otherwise insecure.
  2. We reserve the right to close Your Account and void any or all bets made by You if You attempt to defraud Us.
16. In this case the bookmaker has stated that while they understand that IP data is not exact science, they contend that it is extremely unlikely that each individual IP location data is incorrect, and has relied upon the client's IP address trace to demonstrate that the client was located in South Australia for the entire duration he was their customer.
17. In addition, verification of identity of persons operating betting accounts is a statutory requirement not only under the conditions of the bookmaker's licence but also by Commonwealth legislation.
18. The Commission notes that it is well within the bookmaker's right to require verification of any personal details by a client both under its Terms and Conditions and under Commonwealth laws. This is an important part of ensuring the bookmaker "knows their customer" and is compliant with relevant state and Federal laws.
19. The Commission agrees with the bookmaker that the ING bank statement provided by the Complainant does not amount to evidence that he was living at the Queensland address at the time given the period of time the statement relates.
20. It is noted that Licensing NT upon request by the Commission also attempted to contact the Complainant giving him an opportunity to provide any information which may show he was in fact living at the Queensland address at the time of opening the account – be it credit cards statements, travel receipts, grocery receipts etc. No response was received from the Complainant after attempts to contact him by email on 27 May and 13 June 2019 and by telephone on 27 June 2019.

21. Despite been given the opportunity to provide any evidence of him residing in Queensland at the time of opening his account by both the bookmaker and Licensing NT, the Complainant has not done so and accordingly, the Commission is of the view that without such evidence his residential address for the purposes of opening his account can only be assumed to be that South Australian address on his driver's licence. Had the Complainant used his South Australia residential address, the bonus bet would not have been lawfully provided to him by the bookmaker and accordingly he would not have been able to place wagers with the bonus bet.

## **Decision**

22. In accordance with section 85(1A) of the Act, on the basis of the information provided and for the reasons set out above, the Commission declares that all bets placed with the bonus bet by the Complainant were not lawful bets.

## **Review of Decision**

23. Section 85(6) of the Act provides that a determination by the commission of a dispute referred to under subsection (1) shall be final and conclusive as to the matter in dispute.



### **Alastair Shields**

Chairperson  
Racing Commission

9 August 2019