

NORTHERN TERRITORY RACING COMMISSION

Reasons for Decision

Complainants:	Mr K (Complainant 1) Mr L (Complainant 2) Mr S (Complainant 3)
Licensee:	Sportsbet Pty Ltd
Proceedings:	Gambling Dispute for determination by Racing Commission (pursuant to section 85(2) of the <i>Racing and Betting Act</i>)
Heard Before: (on papers)	Mr Alastair Shields (Chairperson) Ms Cindy Bravos Mr Allan McGill
Date of Decision:	2 July 2020

Background

1. On 13 December 2018 and 14 December 2018, Complainant 1 and Complainant 2 lodged gambling disputes respectively with the Northern Territory Racing Commission (the Commission) against the licensed sports bookmaker, Sportsbet Pty Ltd (Sportsbet) pursuant to section 85(2) of the *Racing and Betting Act* (the Act). On 17 April 2019, a further gambling dispute was lodged with the Commission against Sportsbet by Complainant 3.
2. The substance of all three gambling disputes is that Sportsbet has refused to payout winning bets that each of the complainants placed with Sportsbet on matches played towards the end of season 3 of the Esport, 'Overwatch Contenders Australia.' Each of the complainants is seeking for the Commission to determine the bets struck to be winning lawful bets and to form the view that Sportsbet should payout on each of the bets as winning bets.
3. The Commission affords all sports bookmakers licensed in the Northern Territory an opportunity to respond to each gambling dispute made against it. In respect of these gambling disputes, Sportsbet has advised the Commission that in accordance with its terms and conditions, it has not paid out the bets as winning bets as it has determined that the bets were placed on known results.
4. The Commission has determined that given that the issue in dispute for each of the three complainants is the non-payment of bets struck as winning bets on various betting markets offered by Sportsbet on the same season of the same Esport competition, that in order to avoid obvious repetition that would result in preparing separate decision notices, that one decision notice is appropriate in the circumstances.
5. Information was gathered from 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 dispute on the papers.

Consideration of the Issues

Irregular Betting Patterns

6. Online gambling operators have access to a wide range of information about their customers, their gambling patterns and their gambling preferences as to which sports or other events they prefer to bet on. Where a customer bets in a highly irregular way that at the time or subsequently appears to be associated with 'tote manipulation,' 'bowler accounts', the illegitimate use of 'inside information' or a breach of the event rules or the criminal law, then the online gambling operator may void the bet and any winnings.
7. In general, the Commission does not consider the principle of cancelling or voiding bets in these circumstances as unfair however, online gambling operators must have sufficient evidence before them to make the decision to do so.
8. When determining gambling disputes of this nature, the Commission will request the evidence from the online gambling operator that they have relied on and will consider whether the bets were lawful or not lawful bets pursuant to the Act and where the bets are determined to be lawful bets, whether the decision to cancel or void the bets has been implemented reasonably and fairly.
9. Overwatch Contenders is an international Esports league for the video game Overwatch (an action game where players choose heroes with a range of abilities that clash on a variety of maps set in locations around the globe) that is organised by Blizzard Entertainment Inc, an American video game developer and publisher and a subsidiary of Activision Blizzard. The Contender series which is played in a number of regions including Australia, acts as the development league for the Overwatch League.
10. All three complainants placed bets on a variety of Sportsbet season 3 Overwatch Contender Australia betting markets between 26 November 2018 and 4 December 2018. Should each of the complainants bets have been paid as winning bets, the total value of the winnings would have amounted to \$35,641.54.
11. Sportsbet has advised the Commission that it offered a number of betting markets on season 3 of Overwatch Contender Australia throughout 2018 however, towards the end of 2018 the data held by it showed a highly irregular and suspicious volume of bets being placed on the market.
12. The Commission has sighted the data in this respect and notes that a very significant increase in both the stakes bet and the winning payouts being made, did occur during November and December 2018 compared to earlier in the year.
13. Bets placed during the months of November and December 18 equated to some 52% of the total amount of bet stakes for the entire year while the value of multi bets being placed more than quadrupled. Similar irregularities also occurred with the payout of bets with the payout amounts for November and December 2018 totalling more than double the value of payouts for the entire year prior to that time.
14. Sportsbet has also advised the Commission that BetRadar, the data analytics and pricing company used by Sportsbet for the betting markets detected similar irregularities in the aggregated wagering patterns and notified Sportsbet of its concerns that an integrity issue had affected the betting markets.

Outcome of Betting Market Known

15. Having become concerned through the irregular betting patterns identified by both it and BetRadar about a potential integrity issue effecting the Overwatch Contender betting markets, Sportsbet suspended the payout of any bets that had been struck while the issue was investigated.
16. In this respect, the Commission has sighted evidence that indicates that the Overwatch Contenders Australia mid-week matches were not streamed live during 2018 but rather, were streamed online some 24 to 36 hours after they were played and the outcome of the matches were known.
17. The Commission understands that Activision Blizzard does not authorise, promote or encourage the offering of betting markets on their matches nor do they derive any profit or benefit from betting operators doing so. As the Commission understands it, the delay in broadcasting the matches was a business decision that was made by Activision Blizzard in order to maximise the ability of its top Overwatch players to be able to participate in the matches while avoiding conflict with other Overwatch broadcasts.
18. The Commission notes that while a definition of a bet or wager is not contained within the Act, an ordinary or everyday meaning of a bet or wager is often regarded as when a sum of money is staked on the outcome of a future event or contingency. The person placing a bet is risking an amount of money in the hope of winning more by trying to guess something uncertain.
19. Given that the Overwatch Contenders Australia mid-week matches had already been played and their outcomes determined prior to the complainants' placing their bets, it is the view of the Commission that the outcome of those matches cannot be considered to have been uncertain.

Terms and Conditions

20. All sports bookmakers licensed in the Northern Territory have a comprehensive set of terms and conditions (often including rules) that customers are deemed to be familiar with prior to opening and operating an account with the sports bookmaker. These terms and conditions operate to ensure legislative compliance and the commercial efficacy of the business model of a sports bookmaker.
21. Rule 1.10.11 of Sportsbet's terms and conditions allows for Sportsbet to close or suspend betting accounts and to void bets where in Sportsbet's opinion, the betting account has not been operated with integrity or where the bets have not been placed on a good faith basis.
22. Rule 7 of Sportsbet's terms and conditions provides Sportsbet with the option of voiding a bet where they believe that the bet was placed after the outcome of an event is known.

Decision

23. On the weight of the evidence provided to it, it is evident to the Commission that the bets placed by the complainants on a variety of season 3 Overwatch Contender

Australia betting markets between 26 November 2018 and 4 December 2018 were struck after the outcomes of the betting markets were known.

24. While the Commission makes no finding as to whether any of the complainants in this matter had knowledge of the outcome of the matches prior to placing their bets, it is the Commission's view that these bets do not meet the everyday definition of 'a bet' as the outcome of the betting market was not uncertain and was in fact already known when the complainants placed their bets.
25. For that reason, pursuant to section 85(1A) of the Act, the Commission declares that the complainants' bets were not lawful bets. Given this determination, it is unnecessary for the Commission to make a finding whether the decision by Sportsbet to cancel or void the bets has been implemented reasonably and fairly.
26. It follows therefore that given the Commission's determination that the complainants' bets were not lawful bets, the bets should be voided and as a result, the Commission considers that there is no monies payable by Sportsbet to the complainants upon them.

Review of Decision

27. 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

2 July 2020