

NORTHERN TERRITORY RACING COMMISSION

Reasons for Decision

Complainant:	Mr Y
Licensee:	PointsBet
Proceedings:	Pursuant to section 85(2) of the <i>Racing and Betting Act</i> – Referral of dispute to Racing Commission for determination
Heard Before: (on papers)	Mr Alastair Shields (Presiding Member) Ms Cindy Bravos Ms Amy Corcoran
Date of Decision:	20 August 2019

Background

1. On 20 April 2018, the complainant lodged a dispute with the Northern Territory Racing Commission (the Commission) against the licensed sports bookmaker PointsBet pursuant to section 85(2) of the *Racing and Betting Act* (the Act).
2. The complainant is aggrieved that PointsBet:
 - a. cancelled two winning bets, one of which was a multi bet;
 - b. twice debited the complainant's betting account of \$4,800; and
 - c. closed his betting account.
3. The two bets that were cancelled by PointsBet were struck on 10 April 2018 and were as follows:
 - Bet 1 - \$5,000 stake on National Basketball Association (NBA) Memphis Grizzlies +15.0 v Minnesota Timberwolves 1st Quarter Point Spread at odds of \$1.96
Winning Payout - \$9,800
 - Bet 2 - \$4,998 stake
 - Leg 1 - Memphis Grizzlies +15.0 v Minnesota Timberwolves 1st Quarter Point Spread on 10 April 2018 at odds of \$1.96
 - Leg 2 - Australian Rugby League (ARL) St George Illawarra Dragons -5.5 v Cronulla Sutherland Sharks on 13 April 2018 at odds of \$1.92Winning Payout - \$18,808.47
4. Following the outcome of the Memphis Grizzlies game on 10 April 2018, PointsBet outcomed Bet 1 and paid out \$9,800 in winnings to the complainant. On 13 April 2018, the complainant states that he received a telephone call from PointsBet in which he was advised that his PointsBet betting account had been closed due to "a *trader's decision*" and that he was advised to withdraw the remaining balance of his

betting account. The complainant further advised the Commission that on 15 April 2018, following the St George Illawarra Dragons win over the Cronulla Sutherland Sharks, he contacted PointsBet to close his account and withdraw the remaining balance. The complainant states that it was at this time he became aware that PointsBet had voided the two bets detailed above and had twice debited \$4,800 from his betting account. As a result, the complainant states that he was only able to withdraw \$10,959.60 and not the \$34,354.08 that he had expected to be able to withdraw.

5. The complainant further submitted to the Commission that PointsBet were unable to explain the reason for the “...*huge discrepancy*...” and as a result, he lodged the gambling dispute with the Commission.
6. The Commission affords all sports bookmakers licensed in the Northern Territory an opportunity to respond to each gambling dispute made against it. In response to this gambling dispute, PointsBet advised the Commission that the two bets that had been struck were cancelled by PointsBet in accordance with its terms and conditions, due to an error in the betting market. PointsBet submit that Memphis Grizzlies 1st Quarter Point Line was mistakenly entered as +15.0 when the correct line value should have been +5.0.
7. PointsBet has also advised the Commission that it closed the complainant’s account due to “...*the deliberate attempt [by the complainant] to take advantage of a clear pricing/line error.*”
8. Information in relation to this dispute was gathered from both parties by Licensing NT officers appointed as betting inspectors by the Commission and provided to the Commission to consider the dispute on the papers.

Consideration of the Issues

Voided Bets

9. Sports bookmakers licensed in the Northern Territory publicise a comprehensive set of terms and conditions for wagering that both the sports bookmaker and the sports bookmaker’s customer is bound by when a betting account is opened and each time a bet is struck. These terms and conditions operate to ensure legislative compliance and the commercial efficacy of the business model of the sports bookmaker.
10. At the time that the complainant’s bets were struck, the following PointsBet rules were in place in relation to errors and the placement and accepting of bets:

Errors

Rule 1 - PointsBet makes every effort to ensure that no errors are made in prices offered on the PointsBet website or bets accepted on an Account. However, we reserve the right to correct any obvious errors and to void any bets where such has occurred. Should this occur, PointsBet will endeavour to contact the Member by email or telephone.

Placement and Accepting of all Bets

Rule 4 - PointsBet reserves the right to close and/or impose limits on a Member’s Account (including limits on any PointsBet products that a

Member may wish to bet on but not for the purpose of avoiding the operation of the NSW bet requirements) and refund the balance of their Account, without providing reasons. In this event, we will honour any outstanding bets made pursuant to the Account, unless the Member's Account has been used for any fraudulent transaction or purpose, in which case any sachets will be void.

11. As 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 PointsBet Error Rule 1 so as to avoid a sports bookmaker from unjustly suffering a loss where a legitimate or innocent error has occurred.
12. The issue for consideration by the Commission therefore in determining this aspect of the dispute, is whether the complainants' bets should stand or whether PointsBet is entitled to declare the bets void in accordance with PointsBet Error Rule 1 on the basis that the odds offered were offered as a result of a manifest or obvious error.
13. PointsBet has submitted to the Commission that betting market offered on the 1st Quarter Point Spread in relation to the NBA match was mistakenly entered and should have been:
 - Minnesota Timberwolves -5.5 at \$1.89
 - Memphis Grizzlies +5.5 at \$1.92
 instead of:
 - Minnesota Timberwolves -15 at \$1.85
 - Memphis Grizzlies +15 at \$1.96.
14. During the course of the investigation into this gambling dispute, PointsBet advised the Commission that the error was identified on 12 April 2018 at which time the complainant was contacted and the bets were cancelled. However, in a later submission, PointsBet advised the Commission that whilst the complainant should have been notified via email that the bets were cancelled, it did not do so and it was not until the complainant made contact with PointsBet later the same day that he was advised that the bets were voided.
15. In support of PointsBet's assertion that the betting market offered was in error, PointsBet provided the Commission with the closest comparison market that it was able to locate from another Northern Territory licensed sports bookmaker that offered a line/total double betting market, being:
 - 1st Qtr - Line / Total Double Memphis Grizzlies +5.5/Under 54.5
16. To further assist the Commission in determining whether the betting market offered by PointsBet was offered in error, the Commission has reviewed historical spreads for the Memphis Grizzlies when playing against the Minnesota Timberwolves as detailed on TeamRankings (www.teamrankings.com) which is an online source for algorithmic sports predictions and data. In this respect, the Commission notes that TeamRankings records the following historical spreads for games between the Memphis Grizzlies and the Minnesota Timberwolves:

- 18 November 2018: Memphis +5.5 / Minnesota -5.5
 - 30 January 2019: Memphis +3.0 / Minnesota -3.0
 - 5 February 2019: Memphis +4.0 / Minnesota -4.0
 - 23 March 2019: Memphis -1.0 / Minnesota +1.0
17. Whilst not an exact comparison, as the spreads above are for different games than that which the complainant's two bets were struck on and they are also for the full game and not for the first quarter, these historical odds coupled with the odds provided by PointsBet as detailed at paragraph 15 above do provide the Commission with a bench line on which to determine whether the spread of +15 for the Memphis Grizzlies on 10 April 2018 was an obvious error.
18. In this respect, given the spread offered for the Memphis Grizzlies of +15 is significantly larger than the +5.5 spread offered by another Northern Territory licensed sports bookmaker as well as being significantly larger than those publicised by TeamRankings for other matches played between the two teams, the Commission is of the view that offering of the +15 spread is an obvious error that is easily apparent and not difficult to observe.
19. Given this, it is the view of the Commission that PointsBet was entitled to void any bets struck on the game and return the stakes to its customers in accordance with its terms and conditions.
20. However, given one of the complainant's bets was a multi bet, the Commission has also turned its mind to whether the full multi bet should be voided or whether the second leg of the complainant's multi bet involving the ARL game between St George Illawarra Dragons and the Cronulla Sutherland Sharks played on 13 April 2018 should stand.
21. A multi bet is a bet type whereby the bettor can combine a series of single bets into one bet with the odds multiplying with each additional bet. Each time a leg is successful, the dividend and original bet from that leg are bet on the next leg. The more legs in a multi bet, the larger the dividend will be.
22. The Commission notes that the current PointsBet terms and conditions include several rules that relate to multi bets including where an event has been abandoned, scratched or the bet has been erroneously accepted after the start of the event, then the bet will stand with the leg involving the event excluded from the multi bet and the bet recalculated with that leg removed (see 3.12 Multi/All Up Betting Rule 5 and 7.3 Unfair Advantage/Price Manipulation/Post Start Bet Acceptance Rules 1 and 2).
23. Whilst the Commission notes that the PointBet terms and conditions do not specifically refer to what PointsBet will do in circumstances where it has voided all bets on a betting market as a direct result of PointsBet posting an error in the betting market it offered, it is the view of the Commission that the general theme applying across the PointsBet terms and conditions as outlined in paragraph 21 above should also apply in these circumstances. In this regard the Commission notes that had this occurred the winning payout on the second leg of the multi bet would have been \$9,596.16.

Betting Account Debited Twice

24. The complainant in lodging this gambling dispute expressed his dissatisfaction regarding his betting account being debited \$4,800 twice with no reasoning provided.
25. During the course of the investigation of this gambling dispute, PointsBet advised the Commission that upon reviewing the complainant's betting account it was identified that \$4,800 had incorrectly been removed from the account as a result of the duplication of a bet resettlement deduction. PointsBet has advised the Commission that the funds were returned to the account and a withdrawal was to be processed to the complainant's bank account. PointsBet further advised that it had advised the complainant of this.
26. Given the rectification of what appears to have been an administrative error, the Commission is not minded to explore this issue any further.

Closure of Betting Account

27. As detailed at paragraph 10 above, PointsBet's Rules for the placement and acceptance of bets includes Rule 4 which details that PointsBet has the right to close a customer's account and refund the balance of the account without providing reasons to the customer for doing so.
28. The Commission has reviewed transcripts of a number of telephone calls between PointsBet and the complainant and notes that on 12 April 2018, PointsBet contacted the complainant and advised that PointsBet were closing the complainant's account as the result of a trader's decision. The complainant was asked to provide his bank details in order to process a withdrawal for the funds remaining in the complainant's betting account. The complainant did not query the reason for the decision to close the complainant's account at this time, however later that same day the complainant contacted PointsBet and queried the closure advising that he had been unable to speak to the PointsBet representative earlier in the day. The complainant was again advised that the closure was due to a trader's decision and it was at this time that the complainant was advised that the bets struck on the Memphis game had been cancelled due to incorrect price being posted. The complainant advised that he would await the outcome of a number of pending bets prior to submitting his bank details for the processing of the withdrawal of funds from his betting account.
29. On 15 April 2018 during a further phone call between the complainant and PointsBet, the complainant was advised that his betting account was closed due to the complainant taking "...*advantage of a clear market error...*" The complainant queried whether PointsBet could close his account, making reference to NSW minimum bet requirements. The complainant was advised that in accordance with PointsBet's terms and conditions that PointsBet could close the account at its discretion. The complainant was advised that his account balance was \$10,959.60 and again given details of the process to enable the remaining funds to be transferred into the complainant's betting account.
30. It is not necessary for the Commission to determine whether the complainant did or did not knowingly take advantage of the error posted by PointsBet in relation to the two bets struck involving the Memphis Grizzlies. PointsBet however, did form the view that the complainant had taken advantage of a market error and determined to close the complainant's account in accordance with its terms and conditions,

specifically Placement and Accepting of all Bets Rule 4. Given that the bets involved in the decision to close the account were not struck in relation to NSW Thoroughbred race minimum bet limits, the Commission is of the view that PointsBet's decision to close the complainant's account was a business decision available to it and was taken in accordance with its terms and conditions.

Decision

31. Sports bookmakers licensed in the Northern Territory have a comprehensive suite of terms and conditions that their customers are deemed to be familiar with prior to opening and operating an account with the sports bookmaker. It is generally accepted by the Commission that in opening an account, a sports bookmaker's customer agrees to abide by the terms and conditions provided by the relevant sports bookmaker with whom the client is opening the betting account. The Commission also accepts that this applies equally to the sports bookmaker, in that they must also abide by the terms and conditions in their transactions with their customer.
32. The Commission notes that by signing up to the PointsBet betting platform, the complainant accepted its terms and conditions and accepted that by usage of the betting platform, that he understood all the terms and conditions that were in place and that any bets struck were bound to any applicable rules detailed in those terms and conditions.
33. On the weight of the evidence provided to it, the Commission is satisfied that the bets made by the complainant were lawful bets pursuant to section 85 of the Act. However, the Commission is also satisfied that PointsBet posted a betting market that contained an obvious error in relation to the NBA game between the Memphis Grizzlies and the Minnesota Timberwolves played on 12 April 2018. As a result, the Commission is of the view that PointsBet were entitled to void bets that had been struck on the event in accordance with its terms and conditions and return the betting stakes to its customers.
34. It is the view of the Commission however, that in the case where any bets struck with PointsBet relate to a leg within a multi bet, then that leg should be voided only and the multi bet recalculated excluding the voided leg. As such, the Commission is of the view that PointsBet should pay out the second leg of the complainant's multi bet in the amount of \$9,596.16.
35. The Commission also reminds PointsBet that it must also abide by its terms and conditions with its customers. PointsBet did not make contact with the complainant to advise him that it had voided his bets, had it done so, perhaps the lodgement of this gambling dispute may have been avoided.
36. The Commission notes that the deduction of \$4,800 from the complainant's account twice was an administrative error which has since been rectified and as such, makes no further finding in this regard.
37. The Commission also notes that complainant's betting account was closed by PointsBet at its discretion. The Commission is of the view that this is a business decision that is available to PointsBet in accordance with its terms and conditions to

which the complainant agreed to at the time of opening his betting account with PointsBet and again makes no further finding in this regard.

Review of Decision

38. 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

20 August 2019