

'Should bookmakers have mandatory time limits for paying out winnings?'

My Lords, MPs, ladies and gentleman good afternoon and thank you to the APPG for Betting and Gaming Group for inviting me to speak today. My name is Brian Chappell, I founded and now fund 'Justice for Punters' a group of volunteers who campaign for a fair and open gambling market.

In true **Prime Minister's questions style** I thought I'd begin by saying that Jane from Essex emailed me asking: "I put a bet on the Grand National online. They will not pay me my winnings of £55. I've sent proof of address, copies of my marriage certificate and passport; everything they've asked for. This was my first bet online. I don't have a lot of money and look after my husband who's had a stroke. It's disgusting the way they've treated me. Can you help?"

I did and she received her £55.00 exactly 30 days after the race finished..... So, do I hear all of you shout, of course there should be a mandatory time limit for bookmakers to pay out? To be honest it's irrelevant whether you shout yes or no at this stage, because we need to discuss some crucial questions first, for example. **"Why do things like this case happen and why was the customer service so awful meaning this woman had to contact us?"**

Two minutes on the latter first, **why is customer service so awful?** The last three years has taught me that the online gambling industry treats their customers as **guilty until proven innocent** when there is any sort of dispute. This attitude is endemic throughout the industry and **totally unacceptable**. What is also virtually endemic is misinformation; NO the bet was settled correctly; it was a non-runner, when it was balloted out; our terms of business are clear, so there's nothing you can do: On and on it goes. At this point I need to add that in our experience disputes are far, far less common and much easier to settle on-course and in-shop, albeit shops are far from perfect.

Moving on from customer service to, "Why do cases of not paying out like this happen?"

We can avoid the 'elephants in the room' and get nowhere, but that's not me. I would like to **emphasise that I'm purely concentrating on online gambling from now on.**

Sports' betting and not paying out isn't simple; it's complex: I'll deal with online gaming later. Online bookmakers and some customers are involved in a war where others get caught in the crossfire.

Somewhat naively, the gambling industry saw and perhaps still does see the internet as being a panacea for profit; it isn't. The internet kills businesses (note all the mergers and virtual loss of all independents), especially those who wish to provide a superb service with the associated high costs. The internet drives competition and it has driven low over-rounds and loss leading promotions in an attempt to increase customer base.

The **not paying out** war begins with online bookmakers offering a wide range of promotions to expand their customer base that some new customers attempt to take advantage of, e.g. bonus baggers. When the T&Cs linked to any promotion have been fulfilled and the bonus bagged what happens next?Perhaps, an attempt to withdraw, if there's any money in the account, or possibly **betting in another's name to bag the bonus again?** This is when the war really 'ramps' up. The challenge for bookmakers is to **catch these customers** and..... The challenge for these customers **isn't to get caught.**

There's also the issue of line-chasers or arbers, who bookmakers deem to be undesirable..... And winning customers or those deemed to be skilful enough to win. **Some of these customers will also bet in others' names.**

The huge problem that bookmakers have unless they illegally share data (as we now know some do) is that it takes time to work out if someone is a genuine new customer who wishes to gamble in ways acceptable to them, e.g. place sports bets with no logic or play in the casino, and would therefore be allowed to withdraw their money if this becomes a possibility. For the bookmaker to decide if a new customer is undesirable, or not, takes time and the only practical options left to 'punish' a customer at this point, is to restrict the stakes on the account or, more relevant to today, not pay out by citing erroneous reasons and demanding document after document to prove ID. **The Grand National lady, for whatever reason, was collateral damage from this war.**

It's important to make a distinction between online betting and online gaming, I would like to emphasise that the worst offenders by far for delaying or refusing pay outs are online casinos. The primary reason being that casinos don't expect people to win, so when they do they delay payment in the hope they'll lose their winnings whilst waiting for their money. We've certainly had cases where people have lost 1000s whilst waiting, even 10s of 1000s: For the latter group, you have to suspect gambling addiction in some cases. The second reason being that the T&Cs linked to casino offers are so complex it's often impossible to understand them, so people get caught out and are ONLY, yes ONLY told when they try to withdraw.

It's incredible that online gambling companies even think they can keep customer funds without providing clear written evidence as to why.

Of course, there may be other issues I'm not aware of so I'm interested to hear the bookmaker's side and their justifications for delaying or refusing payments, so these observations are purely based on my experience from the 'Justice for Punters' inbox.

If I'm not wrong what should be done?

1. An apparently simple way forward is to implement the present law that states a bet is a legally enforceable transaction, so when the bet is taken unless evidence is provided that suggests a crime may have taken place any requested withdrawal must be paid out within five working days or interest at 8%, as for a small claim in court, will be charged.
2. Ban all promotions, like some countries and states have done, or ban betting exchanges.

For Justice for Punters, myself and likely the vast majority of people, the former is the preferable and crucially more practical option, albeit there may be other options.

So, to conclude there are a number of reasons why online bookmakers don't pay out promptly.

Not paying out, in the main, is a problem created by industry trading practices, driven by the internet, that some customers take advantage of, often using complex IT and financial strategies. Until the industry decides what it's going to do with present trading methods, e.g. promotions and banning all winners who study, my vote is for a maximum of 5-days to pay out unless a company provides written evidence to the customer that they have or may have broken the law. Deep down bookmakers know they can't keep customer funds without providing legally collected evidence to

the customer, **so stop doing it**. This cannot apply to breaking T&Cs at present unless the said T&Cs are fair; **they frequently are not, so they are useless**.

All sides need an open constructive discussion about the future fairness of online betting, including the topic discussed by this APPG last time; a minimum liability law, which would help immensely in this war (see: <https://justiceforpunters.org/complaining/gambling-commission-meeting-reports/the-mutual-benefits-of-a-minimum-liability-bet-rule-mlr/>). It's immoral to have a gambling industry that only trades with known losing customers and one that **refuses withdrawals without providing relevant evidence**. It's also unfair, but understandable, in the present sports betting climate that some customers choose to break badly worded T&Cs in a number of differing ways.

If the 'elephants in the room' are not addressed, nothing will change.

Thank you.

Brian Chappell, Founder, Justice for Punters