

essa

SPORTS BETTING INTEGRITY

IN-PLAY BETTING & SPORTING INTEGRITY

THE GROWTH OF IN-PLAY BETTING

In-play betting, also known as live or in-running betting, involves betting on a particular outcome during the course of a sporting event. This can relate to the final score or a host of other outcomes such as the number of goals scored, next goal scorer, next player to get a red card etc.

In-play betting, which can be offered on all sporting events, is incredibly popular with today's consumer and accounts for an increasingly large part of the betting market. Its growth was initially driven through online betting, but it has also seen a significant rise through retail betting.

IMPACT ON SPORTING INTEGRITY

Some sports and other stakeholders have pressed for many of the new types of in-play bets being offered to be prohibited on sporting integrity grounds. The increased availability of these new betting products has been deemed to have increased the risk of match-fixing in sport. This position has, however, never been supported by any firm evidence.

Recent independent studies have shown that there is no correlation between in-play betting and instances of betting-related match-fixing that would justify a prohibition of this type of betting. That is the conclusion of the study published by the Asser Institute in early 2015, referred to as "the first-ever study that assesses the integrity risks of certain sports bets on the basis of quantitative empirical evidence."

Entitled "The Odds of Match Fixing – Facts & Figures on the integrity risk of certain sports bets", the authors used a five-year dataset of 1468 football matches worldwide identified as likely to have been targeted by match-fixers.

That information was then analysed to observe patterns and correlations between suspected corrupted events and certain types of sports bets. From that data, the report notes that:

- Match-fixers mostly take advantage of high liquidity betting markets (i.e. where most of the betting money is placed), which all relate to the final outcome of a match;
- Almost all suspicious betting patterns were observed in the main betting markets (including Match Odds and Total Goals) and the Asian Handicap market; and
- For only 6 matches was suspicious betting detected in side betting markets (corners, red cards etc.) - this represents a mere 0.4% of the 1468 likely manipulated matches.

In short, the report found no evidence to support the claim that in-play (or live) betting, by its very nature, would significantly encourage manipulation in comparison to pre-match betting.

The British Gambling Commission, which regulates one of the largest betting markets in the world, was also "not persuaded that there is a sufficient case for restricting types of bets" such as in-play in its 2009 betting integrity position paper, noting that "any threat to sports betting integrity can be managed without the need to ban what is a very popular activity." It reiterated this position in October 2013, questioning whether restrictions "are warranted or would be effective".

It is clear from the evidence that it is not regulated operators which pose a threat to the integrity of sport, but the unregulated market. On that, the Asser study supports other reports noting that:

- The prevalence of suspicious betting in the Handicap markets, particularly Asian Handicap markets, clearly reflects the fact that the Asian betting markets (where these types of bets are immensely popular) account for the majority of illicit funds being bet on football; and
- Over 70% of football betting turnover is recorded with Asian bookmakers who allow bets to be placed anonymously and without betting limits, as favoured by fixers. Whereas, European regulated bookmakers restrict stakes and disclose client details to law enforcement bodies.

PROTECTION THROUGH REGULATED BETTING

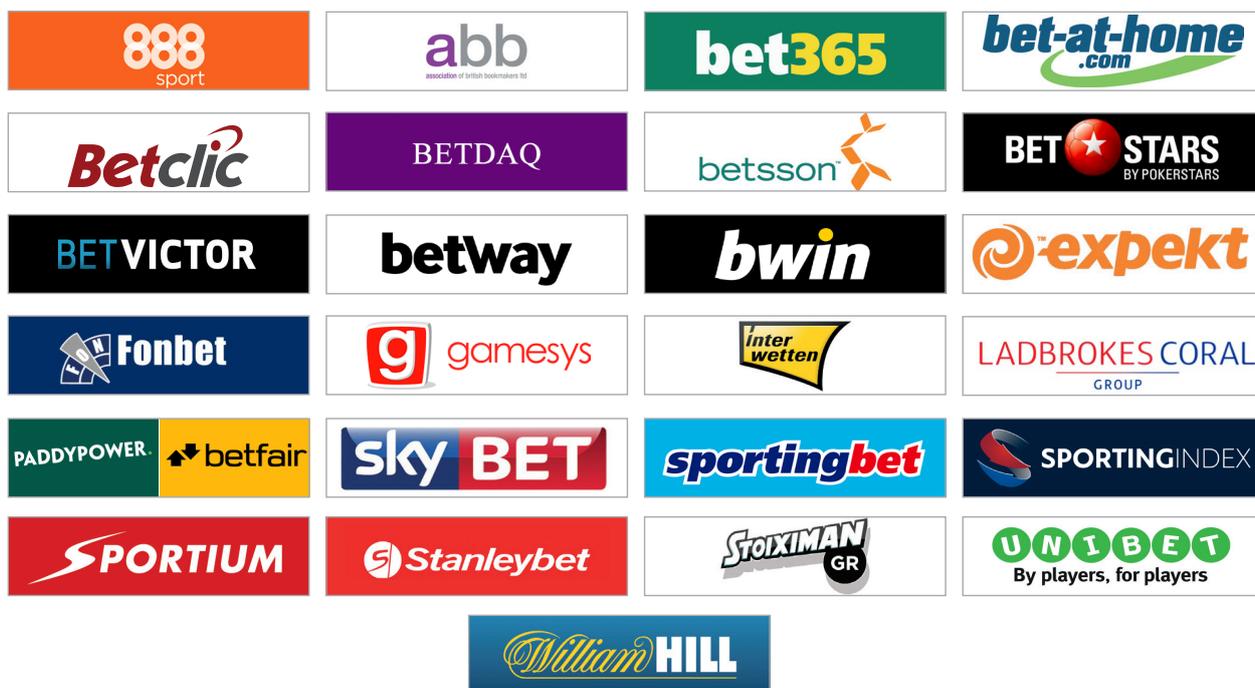
Regulated betting companies have a clear business need to prevent match-fixing, which is focused on financially defrauding them and their consumers. Regulated operators have therefore put in place a range of security measures including: player identification and know-your-customer technology; fraud prevention systems; and information sharing and reporting networks.

For their part, governments need to create a regulated betting market which offers choice and competition and which channels players away from non-regulated to regulated operators. This also means that taxes, fees and levies must not be overly burdensome. It will be immensely difficult to meet other legislative targets, such as protecting consumers, sporting events and preventing crime, if large amounts of bets are placed with unregulated operators.

Experience has shown that the exclusion of certain products, or the limitation of events on which bets can be placed, can have catastrophic effects on channeling consumers to regulated betting companies. In France, for example, the exclusion of casino games has seen more than 60% of the market remain outside the French regulated sector and a high number of operators have returned their licences due to the unattractive commercial environment. The same can be said for the imposition of a limited list of competitions on which betting is authorised in France, under the pretence that this will in some way protect the integrity of French sporting events from match-fixing.

Kicking corruption out is only possible if sports betting markets are regulated in a balanced way and in which the interests of betting operators, sports and consumers are taken into account. Restrictions on betting, including 'live' or 'in-play' markets, can be counter-productive and are often – if not always – based upon an inaccurate or incomplete understanding of the product and related facts.

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